

### Fiscal Estimate - 2001 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> 01-3587/1		<b>Introduction Number</b> AB-672	
<b>Subject</b> Prescriptions for children with attention deficit hyperactivity disorder			
<b>Fiscal Effect</b>			
<b>State:</b>			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
<b>Local:</b>			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected			
<input type="checkbox"/> Towns		<input type="checkbox"/> Village <input type="checkbox"/> Cities	
<input type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b>		<b>Affected Ch. 20 Appropriations</b>	
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		20.435(5)(fh)	
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DHFS/ Richard Megna (608) 266-9359		Fred Ellen Bove (608) 266-2907	10/15/01

## Fiscal Estimate Narratives

DHFS 12/6/01

LRB Number	01-3587/1	Introduction Number	AB-672	Estimate Type	Original
<b>Subject</b>					
Prescriptions for children with attention deficit hyperactivity disorder					

### Assumptions Used in Arriving at Fiscal Estimate

The bill would require a physician to provide certain information when issuing a prescription order to treat children with attention deficit hyperactivity disorder (ADHD). The physician would be required to explain the method of diagnosis used and alternative modes of treatment. In addition, the physician would have to provide a pamphlet, written by the Department of Health and Family Services (DHFS), that explains the assessment and treatment of ADHD, and if the prescribed drug is a Schedule II controlled substance, written material prepared by DHFS that summarizes the safety and effectiveness of the drug. The physician would be required to provide this information when issuing the initial prescription order and at least once every two years, thereafter.

DHFS would be required to prepare this written information on the assessment and treatment of ADHD and the safety and effectiveness of drugs commonly used to treat ADHD. DHFS would be required to place this information on the Department's Internet site for use by physicians and the general public, and upon the request of a physician, to provide the materials to the physician in printed form. Further, the Department of Public Instruction (DPI) would be required to disseminate to appropriate public school staff the information prepared by DHFS.

DHFS does not currently employ an expert in the field of ADHD. DHFS would need to contract for the preparation of the written materials. A contractor may need to utilize a writer, child psychiatrist and outside reviewers to assure that the pamphlet is both accurate and written at a level that is generally understandable to clients. The estimated cost is \$20,000. Annual review of the document should be less costly, and is estimated to be \$10,000.

Placement of the written information on the DHFS's Internet site could be absorbed with current resources. However, there would be printing and mailing costs that could not be absorbed. Physicians would have to be informed of their statutory obligation. There are approximately 9,600 practicing physicians. Notification of these physicians would cost \$4,000. This would include a form that the physician could use to request copies of the pamphlet, and a mailing label that could be used to address the package that is sent to the physician with the requested pamphlets.

It is estimated that up to 5% of school age children have ADHD. Since there are approximately 1 million children who are 6 to 17 years old, there would be up to 48,000 children with ADHD. Since not every child with ADHD would be prescribed a drug treatment, the number of children for which a physician would prescribe a drug would be less. However, physicians might also distribute the pamphlet to families that are considering the use of treatment options for ADHD. If it is assumed that 40% are prescribed a drug treatment or are given a pamphlet due to interest in the options, the number of required pamphlets for the parent, guardian or adult that accompanied the child to the physician office would total 19,000. The bill also requires that the pamphlet be distributed to children who are 14 to 17 years old. This would require up to an additional 6,000 pamphlets, which is a total of 25,000 pamphlets in the first year.

The demand for pamphlets could also be viewed from the physician side. A recent survey indicated that there were 9,537 working physicians in Wisconsin, of which 46% provided pediatric care. These physicians may wish to have a supply of pamphlets on hand to avoid the potential problem of not being able to prescribe a drug for ADHD because the needed materials are not on hand. Upon being notified of the requirement, physicians may immediately order a supply of pamphlets so that the pamphlets would be available when needed. Assuming that 90% of physicians would order 10 pamphlets each, the first year request for pamphlets would be approximately 40,000.

In the first year, it is assumed that the demand for pamphlets would be 40,000 since physician concerns about having the needed material would control the situation. In following years, the demand would be controlled on

the client side, and would be an estimated 22,000 annually (assumes 10% are printed off the Department's internet site). The cost to print and mail 40,000 pamphlets in the first year would be an estimated \$18,000. In subsequent years, because of the lower numbers, the printing and mailing costs would decline to \$10,000 annually.

In summary, the total costs in the first year would be \$42,000, while in subsequent years the costs would be \$20,000 annually.

### **Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 01-3587/1		<b>Introduction Number</b> AB-672	
<b>Subject</b>			
Prescriptions for children with attention deficit hyperactivity disorder			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
In the first year, there will be costs of \$22,000 in excess of the annualized fiscal effect since: (a) additional costs for the initial composition of the materials; (b) costs to notify physicians of the new requirement; and (c) the additional demand for the materials in the first year. Total costs in the first year are estimated to be \$42,000.			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
	State Operations - Salaries and Fringes	\$	
	(FTE Position Changes)		
	State Operations - Other Costs	20,000	
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$20,000</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR	20,000	
	FED		
	PRO/PRS		
	SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
NET CHANGE IN COSTS		\$20,000	\$
NET CHANGE IN REVENUE		\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>

