

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-1848/1	Introduction Number AB-193
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Subject
 Prescriptions for children with attention deficit hyperactivity disorder

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<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"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	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
<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	

Fund Sources Affected	Affected Ch. 20 Appropriations
<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)	

Agency/Prepared By DHFS/ Richard Megna (608) 266-9359	Authorized Signature Freda Ellen Bove (608) 266-2907	Date 9/2/2003
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Fiscal Estimate Narratives

DHFS 9/2/2003

LRB Number	03-1848/1	Introduction Number	AB-193	Estimate Type	Original
Subject					
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, many physicians may start all suspected ADHD children on a trial of medications for two to four weeks. Also, physicians might also distribute the pamphlet to families that are considering the use of treatment options for ADHD. If it is assumed that 75% are prescribed a drug treatment (or trial 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 35,000. 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 12,000 pamphlets, which is a total of 47,000 pamphlets in the first year.

The demand for pamphlets could also be viewed from the physician side. A recent survey indicated there were 9,537 working physicians in Wisconsin, of which 46% (or 4,387) 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 44,000.

In the first year, it is assumed that the demand for pamphlets would be 47,000 to meet the expected

demand for pamphlets. If it assumed that 10% will be printed off the Department's internet site, there will be a need to print 43,000 pamphlets annually. The cost to print and mail 43,000 pamphlets would be an estimated \$20,000.

In summary, the total costs in the first year would be \$44,000, while in subsequent years the costs would be \$30,000 annually.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Prescriptions for children with attention deficit hyperactivity disorder			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
In the first year, there will be costs of \$14,000 in excess of the annualized fiscal effect since: (a) additional costs for the initial composition of the materials; and (b) costs to notify physicians of the new requirement.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs	30,000		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$30,000		\$
B. State Costs by Source of Funds			
GPR	30,000		
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$30,000		\$
NET CHANGE IN REVENUE	\$		\$
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		Date	
		9/2/2003	