

Fiscal Estimate Narratives

R&L 9/19/2003

LRB Number 03-1270/1	Introduction Number AB-355	Estimate Type Original
Subject Prescription drug preferred drug list; prescription drug assistance; gifts to pharmacists		

Assumptions Used in Arriving at Fiscal Estimate

AB 355 would require the Nursing, Dentistry Examining, and Medical Examining boards to order investigations of practitioners identified by the Department of Health and Family Services who might be prescribing drugs not from a preferred drug list for no medical reason. If the boards, after investigation, find practitioners in violation, the Department of Regulation and Licensing (DRL) is required to provide a course instructing the practitioners in using the preferred drug list. DRL is to collect the cost of the training from the practitioners, receipt the funds and deposit 10% to the general fund and the balance of the fees to DHFS. The bill is silent about the requirement under s.20.165 (1)(g) to deposit 10% of all moneys received under Chs. 440 through 480, Wis. Stats. to the general fund. This estimate assumes this requirement would apply to course fees on preferred drug lists.

AB 355 requires the Pharmacy Examining Board to promulgate a rule requiring drug manufacturers to report gifts made to practitioners and to develop a form for these reports.

Cost Assumptions:

One time costs are as follows

110 hours of consultant time to develop a training course: \$18,150
Pharmacy Board costs to promulgate rules on gift reporting

80 hours paralegal salary and fringe
40 hours legal counsel and fringe
30 hours PA3 and fringe

Pharmacy Board costs to design the reporting form

20 hours of legal counsel salary and fringe
20 hours of program manager salary and fringe
40 hours of Program Assistant 3 and fringe

Total Pharmacy Board costs for gift reporting

\$8,680

Costs to modify DRL IT systems for the new case type and reporting requirements. 850 hours of IT professional salary and fringe

\$25,500

Total one time costs = \$52,330

On-going costs are as follows

Value of Division of Enforcement Staff to track complaints, investigate and report- -assuming 20 complaints per year

Each complaint takes 4 hours of Program Assistant 3 salary and fringe

1 hour of legal counsel salary and fringe, and

6 hours investigator salary and fringe.

\$5,540.

Assuming 80%--or 16 would be appealed and go to hearings, the cost of hearing the appeals is the value of

Office of Legal Counsel staff as follows:
Each complaint takes
16 hours legal counsel salary and fringe
32 hours prosecutors salary and fringe
40 hours administrative law judge salary and fringe
1 hr Program Assistant 3 salary and fringe

\$73,616 Office of legal counsel costs.

Total Complaint costs

\$79,156

Charges to train 20 practioners per year--assuming a \$1,200 course fee--
\$24,000.

Costs of 52 hours salary and fringe to maintain the IT system changes
\$1,560

Costs for a Program Assistant 3 to spend 1 hour to review and monitor gift reporting for 60 drug
manufacturers
\$1,020

Annual costs \$105,736

The bill does not appropriate expenditure authority for DRL to expend for these costs, including charges for
a preferred drug list trainer.

Revenue Assumptions:

DRL would collect \$24,000 annually from trainees and deposit \$21,600 to DHFS and \$2,400 to GPR-
Earned.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Prescription drug preferred drug list; prescription drug assistance; gifts to pharmacists			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$52,330			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$81,736	
(FTE Position Changes)			
State Operations - Other Costs		24,000	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$105,736	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS		105,736	
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, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned		2,400	
FED			
PRO/PRS		21,600	
SEG/SEG-S			
TOTAL State Revenues		\$24,000	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$105,736	\$
NET CHANGE IN REVENUE		\$24,000	\$
Agency/Prepared By		Authorized Signature	Date
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