



## Fiscal Estimate Narratives

R&L 3/10/2006

LRB Number	<b>05-4575/1</b>	Introduction Number	<b>AB-1067</b>	Estimate Type	<b>Original</b>
<b>Description</b> Regulating payments and gifts by drug manufacturers and distributors and consulting agreements between certain health care providers and drug manufacturers and distributors and providing a penalty					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, persons who engage in the manufacture, sale, or distribution of prescription drugs at wholesale are required to be licensed by the Pharmacy Examining Board. This bill limits payments and gifts by drug manufacturers and distributors to certain health care providers, and provides a penalty of not less than \$50 and not more than \$100.

Costs for the Dept. of Reg & Licensing may be incurred due to complaint processing and enforcement of the new regulations. It is assumed the costs may be absorbed.

Attorney time - 20 hours @ \$53 = \$1,060 per year for additional enforcement cases.

Investigator time - 40 hours @ \$26 = \$1,040 per year for additional enforcement cases.

Paralegal time - 20 hours @ \$27 = \$540 per year for additional enforcement cases.

ALJ time - 10 hours @ \$53 = \$530 per year for additional hearings (assumes 1 goes to hearing every 2 years).

TOTAL COSTS = \$3,170 per year.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>05-4575/1</b>		<b>Introduction Number</b> <b>AB-1067</b>	
<b>Description</b> Regulating payments and gifts by drug manufacturers and distributors and consulting agreements between certain health care providers and drug manufacturers and distributors and providing a penalty			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<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	\$3,170		
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$3,170</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS	3,170		
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>			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$3,170	\$	
NET CHANGE IN REVENUE	\$	\$	
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
R&L/ Bev Haberman (608) 267-0284		Jim Parker (608) 266-0746	3/10/2006