

Fiscal Estimate - 2015 Session

Original Updated Corrected Supplemental

LRB Number 15-1902/1	Introduction Number AB-0120	
Description Creating a Corrections System Formulary Board in the Department of Corrections, therapeutic alternate drug selections in the state correctional system, and granting rule-making authority		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local:		
<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		
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 410		
Agency/Prepared By	Authorized Signature	Date
DOC/ Jokisch Jacob (608) 240-5415	Melissa Roberts (608) 240-5055	3/30/2015

Fiscal Estimate Narratives

DOC 3/30/2015

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Description Creating a Corrections System Formulary Board in the Department of Corrections, therapeutic alternate drug selections in the state correctional system, and granting rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a licensed pharmacist may make therapeutic alternate drug selections, if made in accordance with written guidelines or procedures (a formulary) previously established by:

- 1) a pharmacy and therapeutics committee of a hospital and approved by the hospital's medical staff, for patients in a hospital; or
- 2) a quality assessment and assurance committee of a nursing home, for patients in a nursing home.

The use of the therapeutic alternate drug selection must have been approved for a patient during the period of the patient's stay within the hospital or nursing home by the patient's attending physician, physician assistant, or, in the case of a hospital, the patient's advanced practice nurse prescriber.

This bill creates a Corrections System Formulary Board (board) in the Department of Corrections (DOC), to consist of two physicians, one of whom is a psychiatrist, a pharmacist, and, at the discretion of the secretary of corrections (secretary), other members, all appointed by the secretary. The bill requires the board to promulgate rules to establish a formulary for prisoners confined in state correctional institutions and allows a pharmacist to make therapeutic alternate drug selections in accordance with that formulary, if approved for a prisoner during his or her period of confinement in a state correctional institution by a physician, an advanced practice nursing prescriber, or a physician assistant. The bill requires that the formulary established by the board apply uniformly within all state correctional institutions.

The Department is unable to determine the fiscal impact of the bill as the DOC cannot predict which drugs in the future will require a therapeutic alternative drug selection. The new bill will result in reduced paperwork for DOC medical personnel. Under current statutory requirements, the pharmacist must submit a change order request to the prescriber for every existing order when a change is required. This process take about 5 minutes to complete from start to finish. An example of the additional work current law requires is the shortage the pharmacy experienced last year of the drug pantoprazole. The pharmacy sent over 1000 change order requests to the prescribers resulting in an estimated 83 man hours of labor. This new bill would have allowed the pharmacists to make this switch automatically.

Any reduction in the amount of time that medical personnel at the DOC spend on paperwork will result in more time for these professionals to spend on patient care.

Additionally, this bill will allow the DOC to respond faster to the increasingly quick change in price of different medications. This will better allow the DOC to consistently choose the most cost-effective method of treatment.

There is no additional cost in the creation of the Corrections System Formulary Board in the DOC as there is already a Pharmacy and Therapeutic Committee whose main responsibility is maintaining a DOC formulary.

There should be no local fiscal impact as the new bill only applies to inmates in DOC custody.

Long-Range Fiscal Implications