

Fiscal Estimate Narratives

DOC 1/22/2020

LRB Number	19-4329/1	Introduction Number	AB-0653	Estimate Type	Original
Description providing medication and a valid prescription to a prisoner upon release					

Assumptions Used in Arriving at Fiscal Estimate

Under this bill, the Department of Corrections (DOC) must identify whether any person who is about to be released from prison is currently taking a prescription medication. If an individual is taking a prescription medication for a condition that is expected to last at least 12 weeks after the individual's release, DOC must provide to the individual at the time of his or her release a six-week supply of the medication and a valid prescription to obtain six weeks worth of medication to be filled at a later date. If an individual is taking a prescription medication for a condition that is expected to last less than 12 weeks after the individual's release, DOC must provide to the individual at the time of his or her release an appropriate supply of the medication.

The Department projects an increased annual operating expense of \$1,624,100 as a result of this bill. The annual operating increase, explained below, may increase or decrease in future years based on fluctuations in pharmaceutical prices.

DOC's current policy is to provide two weeks of prescription medication upon release from a DOC facility. The Department released 9,279 inmates in 2018. This number excludes releases of offenders serving a hold at a prison. The DOC estimates that 75% of inmates receive medication(s) upon release, or 6,959 inmates in 2018. Most medications for releasing inmates are tracked by DOC's Central Pharmacy. From May 2019 to October 2019 (6 months), the DOC Central Pharmacy filled 10,188 prescriptions for 2,796 released patients at a cost of \$369,108. Annualized, the average annual amount is doubled to \$738,200 for 5,592 inmates. However, the DOC estimates that the remaining approximately 25% of inmates released with medication receive it from the institution pharmacy stock, which is not tracked by usage type, therefore the Department cannot determine the exact cost for releasing medications. Since most high priced medications need to be requested from the Central Pharmacy, the DOC estimates that instead of an additional 25% cost, these medications cost an additional 10%. Thus, the Central Pharmacy cost is \$738,200 and the estimated institution pharmacy cost is \$73,800, for a total annual cost of \$812,000.

This proposed bill would triple the amount of prescription medication provided to releasing inmates from two weeks to six weeks. The bill states: "If an individual is taking a prescription medication for a condition that is expected to last less than 12 weeks after the individual's release, DOC must provide to the individual at the time of his or her release an appropriate supply of the medication." The DOC does not track releasing medications in this manner and believes inmates receiving medication expected to last less than 12 weeks would happen rarely. Thus, the DOC assumes for this fiscal estimate that all inmates would receive six weeks of medication. The total projected cost under this bill for releasing medications is \$2,214,600 from the Central Pharmacy and \$221,500 from the institution pharmacy stock for a total annual cost of \$2,436,100. The difference between the estimated annual cost under this bill of \$2,436,100 and the current annual cost of \$812,000, is the estimated \$1,624,100 in additional expenditures the Department would incur if this bill were enacted.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-4329/1		Introduction Number AB-0653	
Description providing medication and a valid prescription to a prisoner upon release			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
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	1,624,100		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$1,624,100		\$
B. State Costs by Source of Funds			
GPR	1,624,100		
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			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$1,624,100	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By		Authorized Signature	
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		Date	
		1/22/2020	