

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-4421/1	Introduction Number SB-577	
Description Wisconsin drug repository program		
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 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected		
<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 (6) (a)		
Affected Ch. 20 Appropriations		
Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DHS 11/1/2021

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Description Wisconsin drug repository program					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Department is required to maintain a drug repository program under which persons may donate certain drugs or supplies that may be used by other individuals identified by the Department by rule.

Under 2021 SB 577, the Department's drug repository program would be expanded to allow for the Department to partner with out-of-state repository programs. The bill would also allow the Department to authorize a medical facility or pharmacy that elects to participate in the drug repository program to receive drugs or supplies from out of state. The bill also allows the Department to authorize an out-of-state entity that participates in a partner out-of-state drug repository program to receive drugs or supplies from Wisconsin.

The Department would incur \$5,000 GPR in contractor costs to amend and create new forms for the Drug Repository Program and update its website. A further \$35,000 GPR would be required to engage a contractor to study a centralized drug repository program. Considerations could include estimates of the expected volume of drugs received and dispensed, necessary fees to sustain various models, contract options with an existing pharmacy, another state agency, or an external party to operate the pharmacy, or creation of a new independent pharmacy.

Implementing such a physical centralized drug repository program is estimated to cost between \$500,000 to \$2,500,000 GPR, annually with the study informing a final estimate. The lower end of the estimate would utilize an existing pharmacy and at least two additional pharmacist staff. The higher estimate would establish a freestanding, independent, centralized pharmacy and includes start-up costs, retail space rental, equipment and technology costs, inventory, and licensing. Annual staffing costs of a similar program in Iowa, operated by the nonprofit SafeNetRx, are estimated to be \$530,000. Other factors impacting the cost of implementing a physical centralized drug repository program include rent, fixtures, operating costs, licensing, and equipment and technology. If the Department contracted with a vendor to operate a centralized drug repository program, DHS staff would also experience workload to provide ongoing fiscal support to complete contract negotiations and renewals, invoice payments, and reconciliations. DHS staff would also need to provide ongoing technical support for the contractor and monitor contract performance. The cost of implementing a centralized drug repository program are indeterminate at this time, but the study would inform final cost estimates.

Long-Range Fiscal Implications

After implementation, there will be annual costs to maintain the expanded drug repository program including staffing, rent, other operating costs, licensing, equipment, and technology.