

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2134

2007 SENATE HUMAN SERVICES

SB 2134

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2134

Senate Human Services Committee

Check here for Conference Committee

Hearing Date: 1-09-07

Recorder Job Number: 817

Committee Clerk Signature

Mary R Monson

Minutes:

Senator J. Lee, Chairman, opened the hearing on SB 2134 relating to a prescription drug monitoring program for controlled substances; to provide a penalty; and to declare an emergency.

Senator J. Lee told the committee that there is a fiscal note. It adds two sections to the action taken last session and only grant funds allocated to be spent.

Senator Erbele, Vice Chair, took control of the meeting so Senator J. Lee could testify.

Senator J. Lee (Dist. #13) introduced SB 2134. This is the result of work taking place over the last two years that allows electronic monitoring of controlled substances. One good reason to look at this is the health outcome. Another is the law enforcement side of it. In her view, the end goal would be, through health technology as well as this electronic monitoring, to have your prescription records electronically available. If you are in another place and see a physician there, they will be able to check on what you are already taking and make sure any new drugs won't interact inappropriately with them. An important component from the law enforcement standpoint is because controlled substances are a controlled commodity and there are all kinds of clever ways in which people are inappropriately or illegally obtaining drugs.

Senator J. Lee resumed her position of Chairman.

Howard Anderson (Executive Director, ND State Board of Pharmacy) testified in support of SB 2134. (Attachment #1)

Senator J. Lee asked Mr. Anderson to explain what the process has been and who was involved in the discussions.

Mr. Anderson said that the way it works now is if law enforcement or the board of nursing or the board of medical examiners wants to investigate, say one of their licensees in the case of a board, or if law enforcement is looking at an individual, they ask the Board of Pharmacy to do a profile search for that person. The board then asks pharmacies to send information on that individual's prescriptions. The board consolidates those in their office and would furnish those for the investigation or, if it is a regulatory board looking for one of their licensees, would furnish it to the person at the regulatory board whose handling the investigation. It's a fairly onerous process because they write a letter to all of their pharmacies asking them to send a profile back. It takes 6-8 weeks to consolidate that information. The pharmacies have to spend a considerable amount of time answering the request. The board is doing 2-3 a week now from law enforcement agencies, regulatory boards, etc. It's a lot of work and not always complete information.

This prescription monitoring program will gather information electronically from the pharmacies dispensing the prescriptions. Then the contracting agency consolidates the profile so the drug seeker is all on one profile. This profile would then be available to the attending physician and eventually pharmacies. Law enforcement can ask for a profile if they have an active investigation. That is the way it is now, if law enforcement calls about an investigation, the information is furnished to the investigator. It remains confidential until charges are filed.

An advisory board has been created which has physicians, pharmacist, and regulatory board people.

Senator Warner asked if there was a reason to single out WSI as having a special privilege and not to establish to other insurances.

Mr. Anderson said that it is public money and that is the reason WSI was included. Typically, BC/BS and other insurance carriers get data on the people they pay for.

Senator Dever said that, for his understanding, 1459 last session said "do it". This is the implementation of it and the purpose and the emergency clause is the money is available when we are ready.

Mr. Anderson said that was correct.

Senator Heckaman asked if the money available from the dept. of justice is just for the beginning implementation or will it be continuous.

Mr. Anderson said they have applied for an implementation grant, \$372,000 which has been awarded. He also has an application prepared for an enhancement grant for approximately \$400,000 to be used to expand surveillance and analysis data. He's hoping those monies will run the program into the next 3 years.

Senator J. Lee said they also thought it would be able to be self sufficient at some point.

Dr. Brendan Joyce (Administrator of Pharmacy Services for the Dept. of Human Services) presented testimony in favor of SB 2134 (Attachment #2)

Senator Dever asked if it would alert if someone doesn't renew medication.

Dr. Joyce said this is the dept. of justice. It can only be used to collect controlled substance data and other substances deemed abusable or divertible. Grant dollars can only be used for controlled substances and other abusable medications.

Senator J. Lee said that this is the first step. The ultimate goal is to manage patient medication, especially Medicaid patients.

Senator Heckaman asked if this is more driven from the pharmacies, law enforcement, liability by medical providers, patient concern, or all.

Dr. Joyce said it is a very broad mixture.

Senator Lee asked for an example of how a Medicaid recipient could cheat.

Dr. Joyce gave an example. (Meter 31:00)

Harvey Hanel (Pharmacy Director for WSI) testified in support of SB 2134 as the Chair of the working group that was formed under HB 1459 in the 59th legislative session. (Attachment #3)

Senator J. Lee commented that the hospital pharmacists would only be providing medication for inpatients and so there wouldn't be any supply that would be available to the individual.

That would be a logical reason for them to be exempted.

Mr. Hanel said that was true to the largest extent. There is some after hours dispensing that occurs in emergencies.

Senator Warner asked if the prescription bottle of meds you get when discharged from the hospital comes from the hospital pharmacy or is that coming from some allied pharmacy.

Mr. Hanel said, in most cases, unless it is after hours or the hospital pharmacy is dispensing just a limited quantity. The larger hospitals in the state do have a retail component, a pharmacy that will dispense on a retail basis, bill insurance, etc. This is if you take it to the pharmacy downtown. That information would still be collected because it is coming from the retail side of it.

Senator Warner asked if there is any implication where drug abuse by medical practitioners can be detected.

Mr. Hanel said one of the algorithms that could be set up would be to look at prescribing pattern and prescribing for family members and for ones own self as the prescriber.

Senator Dever asked if there are any others, like veterinarians, that deal with controlled substances.

Mr. Hanel said the working group had talked about other practitioners. It was felt that until a good mechanism was in place that could get that information in, they would not be included. They were not specifically excluded.

Bruce Levi (Executive Director of the ND Medical Association). See attachment #4 in favor of SB 2134.

Senator J. Lee asked if the amendments he was proposing were met with any objections from other stake holders.

Mr. Levi was not aware of any.

Senator J. Lee said she wanted to make sure there was nothing in there that conflicted with the pain management statute that was passed last session.

Mr. Levi said they looked at that and those provisions aren't changed and they are very compatible with where this is going.

Dr. McCullough (emergency physician who works in California and ND) testified in support of SB 2134. She feels like the prescription drug problem is spiraling out of control. One of the concerns is with pain management. The way this has been crafted, it will allow for pain management for patients. Both the patient and the physician need to be responsible. This program shouldn't hurt that program. But she thinks the diversion issue will be able to be addressed by having this program. She sees both sides. She sees the diversion, the abuse, the people who are receiving pain medications. She gave examples of abuse. This program

would be helpful to emergency physicians so they can go into the system to find out if the meds are legitimate.

Senator J. Lee said she thought the daily reporting, if possible to do that, would be very valuable from both sides.

Dr. McCullough said that any feedback right now would help. But the daily reporting is what she needs for her type of work.

Senator Dever asked if pharmacists in one state look at a prescription more suspiciously if somebody comes from another state to have it filled.

Dr. Joyce said they would be requiring anyone with a license with ND Board of Pharmacy, so Moorhead pharmacies will have licenses with ND and they will submit their data. It will include anyone they have filled controlled substances for, not just ND residents.

He also spoke about the enhancement grant that Mr. Anderson mentioned. That includes the desire to do a multi state program. There is also a house resolution that was passed in Congress a year or so ago that authorizes a nationwide. There's no funding behind it yet, but once there is, there could be a national type program.

John Olson (ND Board of Medical Examiners) reported for the board that they support SB 2134. They deal with physician licensing discipline and they work occasionally and closely with the Board of Pharmacy and Dept. of Human Services to audit petitions and patients when they think care is being compromised. They feel this bill will provide a good assistance with that process. They feel the amendments are fine.

Michael Mullen (Assistant Attorney General) worked on the bill in the 2005 session and has consulted with Howard Anderson, Mellissa Hauer, and Dr. Joyce regarding SB 2134. He said the California program is heavily oriented toward making sure patients are getting the proper

care. Physicians are using the system trying to find out what prescription drugs their patients are receiving.

Senator Warner asked about disclosure and when warrants are necessary and not necessary. Mr. Mullen said the 4th amendment applies when law enforcement is seeking information they are going to use in a criminal prosecution. There has to be some specific investigation going on in order to ask this program to disclose a drug profile. With respect to a board, again there would have to be some sense that the profile indicates that there is an unusual distribution of a particular drug that indicate a case should be referred to a particular board. He also talked about abuse addiction and rights to pain medications.

Senator J. Lee said that two years ago when they did the pain management statute discussions, the whole point was that if somebody had an addiction, but did have a need for pain management, the provision was supposed to continue to treat that illness.

Mr. Mullen said this law sets up a system for prescription drug monitoring and it requires the retail pharmacist to report the controlled substance information to the Board of Pharmacy. That is permitted under HIPAA because it is a disclosure required by law.

Senator Warner asked about obtaining information on minor children.

Mr. Mullen said the HIPAA privacy rule, with respect to minors, reverts back to state law.

Senator Dever asked if he had reviewed the amendments. He also asked if the board is subject to open records, meetings, except when they discuss an individual situation.

Mr. Mullen said he hadn't studied the text of the amendment. The Board of Medical Examiners and the Board of Nursing have long standing rules so they go into, at least in the initial phases, investigatory phase that's a non public meeting. Typically, when they go forward with a formal administrative action against a licensed professional they will take out the names of the patients and use pseudonyms unless the patient consents to testifying at a hearing.

There was no opposing testimony.

John Val Emter (God's law) said this bill is targeting the poor people. He felt doctors were trying to make him take medications that he didn't want to take.

Senator J. Lee explained that this bill is not about that, it is about individuals who are taking more drugs than they ought to be and getting them in some illegal fashion. It has nothing to do with income. If there is a medical professional with prescriptive authority who is prescribing inappropriately, this is a way to stop that.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2134

Senate Human Services Committee

Check here for Conference Committee

Hearing Date: 1-10-07

Recorder Job Number: 887

Committee Clerk Signature

Mary K. Monson

Minutes:

Senator J. Lee opened SB 2134 for discussion and reported that she asked Mr. Armstrong from WSI to provide information about Workforce Safety being included on the list of participants that would have access to the information. He said a percentage of drugs on the street are coming from people who are receiving benefits from WSI so they have a vested interest in it. She requested that he put the information in written form for the committee.

(See Attachment #5)

She also reported that she asked Rod St. Aubyn with BC/BS about their not having participated. They didn't feel they needed to because, from a reimbursement standpoint, they and any other private insurer who paid for prescription drug coverage would know if something odd is happening. They have a record because the insurance is reimbursing for it. They would have no way of knowing if someone is paying cash. What they need to know is already in their own records.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2134

Senate Human Services Committee

Check here for Conference Committee

Hearing Date: 1-16-07

Recorder Job Number: 1231

Committee Clerk Signature

Mary K. Monson

Minutes:

Senator J. Lee, Chairman, opened SB 2134 for discussion. She reported that Mr. Hanel from WSI and Dr. Joyce were there to answer any questions the committee might have for them. Harvey Hanel, WSI, said that his involvement with the prescription drug monitoring program over the last two years was in the capacity of serving as chair of the working group. One of the items they were tasked with was to try to figure out who would have access to the data base. The obvious ones, of course, were the prescribers and the dispensers as well as law enforcement. When they looked at what other entities should have access or would have benefit from having access the regulatory agencies came to mind at that point—the board of medical examiners, the board of pharmacy, the board of nursing. Then a question came up as to, should the payers also have access. The discussion that took place within the committee was that there would be benefits to having additional sets of eyes looking at the information, helping to identify patterns of either abuse or diversion. The question came up last week as to why not BC/BS. BC/BS did have representation on the working group and were asked directly if they wanted access to the data base. They declined saying it would not be a benefit to BC/BS. It was the feeling of the working group that the payers would also have a benefit by being able to help identify potential trends, perhaps, earlier than would come on the radar of

either law enforcement from the diversion aspect or even abuse requiring referral into additional therapy if there is a question of whether or not this individual had become addicted or whether there were patterns of prescribing or dispensing either the board of pharmacy or the board of medical examiners would like to be involved, as well. That, from the standpoint of the working group, was where that conversation went. As a result, WSI was included as one of the entities. WSI has now taken a position in favor of SB 2134.

Senator J. Lee reported that BC/BS already knows if they are being asked to pay for a particular drug and the patient is unlikely to ask for a prescription to be filled twice under the same policy. From the medical side, the physician is going to monitor. From the addiction side of it, it really isn't their business. Their obligation is to make sure reimbursement is proper.

Mr. Hanel said that WSI has a different relationship with providers and patients. WSI does see a benefit when a situation arises when abuse or diversion is suspected. To have access to the information either to confirm or discount that suspicion before escalating it to the special investigation would be very helpful and would serve the best interest of the patient, as well.

Senator J. Lee said the diversion is a component and there are a significant number of people who are doing something they shouldn't be doing who are involved with WSI and it is a means of being able to monitor that a little closely.

Mr. Hanel said that WSI wants to supply medications for legitimate medical uses but certainly doesn't want to be supplying to help with the diversion and illicit use of prescription drugs.

Senator Heckaman asked when information is going to be posted onto this program, will it be scanned from past history or is it going to start from day one when the program is initiated.

Mr. Hanel said the plan is backload 1 year into the system to give some initial history. From that point, it goes forward.

Senator Dever asked if this applies to veterinarians. He was looking at page 2, the definition of a patient.

Mr. Hanel said the pharmacies will be reporting information on any prescriptions that are dispensed that are controlled substances that would be used by an animal lover, a persons pet, whatever the case may be, but only those medications that come through the pharmacy. Senator Dever had another question from page 3 under disclosure, item b, where it says "an individual who requests prescription information of the individual or the individual's minor child". He wondered if it should say who requests the prescription information on "behalf of the individual or..."

There was discussion on that part and there was consensus that the language was clear the way it was.

Senator J. Lee pointed out amendments proposed by Howard Anderson, WSI, (Attachment #6) and Bruce Levi, Medical Association, (Attachment #7).

There was discussion on whether the changes submitted by Mr. Anderson, WSI, would mean that data could be shared with other states. This would be important for border towns and bordering states.

Senator Heckaman asked if our bordering states are all buying into this.

Dr. Joyce said they are, slowly. He went on to explain what some other states are doing.

He also said it is important for the committee to know that IHS, Indian Health Services, are very willing to participate in this. He cited some instances where there is diversion happening. Senator Heckaman asked where they go with information when they find someone abusing the system.

Dr. Joyce said nothing in the bill tells what to do. The primary goal is to help with the patients health. He can tell what kind of help they need – if they are feeding their own addiction and

need addiction treatment, or if they are making money. It's very rare that it is a balance between the two and not easy to tell. The feds with the program have assistance they can provide.

Senator J. Lee said this is a means to collect the data which we haven't been able to have in any kind of central spot before. Then it is up to the physician, or law enforcement, or whoever the appropriate entity to request the information through the board of pharmacy to get everything that is appropriate at that point.

Senator Pomeroy asked who is on the advisory group.

Dr. Joyce replied that the advisory group is made up of 7 physicians appointed by the board medical examiners, 1 pharmacist appointed by the board of pharmacy, 1 FNP appointed by the board of nursing, 1 physician appointed by the medical association, and somebody from the dept. of human services.

Senator Dever said this plugs a lot of holes but the availability of controlled substances outside of the system will still include veterinary clinics, mail order, and Canada.

Dr. Joyce said that was correct. True mail orders will be required to submit through their ND licensing. He wasn't sure if Canada had an all encompassing data base. He also talked about getting controlled substances in Canada.

Senator J. Lee asked the committee to deal with the amendment proposed by Howard Anderson.

Senator Heckaman moved to accept the Howard Anderson amendment.

Senator Pomeroy seconded.

Discussion to clarify the amendment being considered is the one that includes the spelling correction. (Attachment #6)

Roll call vote 6-0-0. Carried.

Next, the committee took up the proposed amendment by Bruce Levi.

Senator J. Lee asked Dr. Joyce to run through the amendment for the committee.

Dr. Joyce reviewed the amendment. (Meter 38.45) He talked about DEA numbers used to identify physicians, the Advisory Council (he corrected information he gave earlier in response to a question by Senator Pomeroy).

Senator Dever moved to accept the amendments proposed by Bruce Levi.

Senator Erbele seconded.

Roll call vote 6-0-0.

Senator Warner moved to further amend to delete lines 24-25 on page 3.

Senator Heckaman seconded.

Senator Erbele asked Senator Warner what the reason was for the amendment.

Senator Warner replied that first he felt it was important to not rely on hearsay evidence about criminal activity on behalf of WSI recipients. Secondly, there is concern by his constituents and those he represents, that WSI would use this information for retaliatory purposes. He said they didn't have the same concern with the dept. of human services.

Senator J. Lee didn't see WSI being the same as a private insurance company.

Senator Heckaman also saw it as an issue.

Roll call vote 3-3-0. Failed due to lack of a majority.

Senator Warner moved a Do Pass on SB 2134 as amended and rerefer to Appropriations.

Senator Dever seconded. Roll call vote 6-0-0. Passed.

Carrier is Senator J. Lee.

FISCAL NOTE
 Requested by Legislative Council
 03/08/2007

Amendment to: Engrossed
 SB 2134

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$74,463	\$0	\$297,852	\$0	\$0
Expenditures	\$0	\$74,463	\$0	\$297,852	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Adds two sections to the action taken by HB 1459 from last session. Adds an immunity provision. Adds tramadol and carisoprodol to the list of drugs to be monitored. Only grant funds are allocated to be spent. The amendments only add provisions already adopted by rule and do not change the fiscal note.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The implementation and operation of this program will be funded by grant funds from the department of justice. The amendments do not change the fiscal note. We have applied for an enhancement grant of just under \$400,000 dollars, which will not be decided until October of 2007, so no information is included about that at this point.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

None of these funds are included in the executive budget. All revenue comes from a US Department of Justice grant.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Medicaid and the Board of pharmacy are to implement this prescription drug monitoring program. One FTE will be hired by the board of pharmacy to manage the program, 0.25 FTE is allocated for pharmacist supervision of the program.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

No appropriations are involved in this program. I have attached the budget from the grant applications.

**NORTH DAKOTA PRESCRIPTION DRUG MONITORING PROGRAM
BUDGET WORKSHEET & NARRATIVE**

A. Personnel

Name/Position Computation Cost

Program Assistant (1 FTE) (\$40,000 x 100% x 2.00 years) \$80,000

Pharmacist/Director (0.25 FTE) (\$84,000 x 25% x 2.00 years) \$42,000

Merit increase (\$40,000 x 2% x 1.00 year) \$800

Cost of living increase (\$61,000 x 2% x 1.00 year) \$1,220

The program assistant will serve as administrator and provide general direction and assistance to ensure the project maintains focus and timelines are met and will assist with required grant reporting, advisory committee meetings, and training and education. The program assistant will compile statistics and records requested by the advisory council or needed to evaluate program effectiveness. This person will assist in all program implementation and maintenance activities as directed including coordinating receipt and dissemination of program data, reconciliation of incompatible data issues, resolution of technical conflicts or issues, grant reporting, and responding to queries from pharmacists, prescribers, law enforcement, and the public.

The pharmacist will act as program manager, responsible for training and educational activities, acting as liaison with reporting pharmacies, supervising the program assistant, and assisting with investigations resulting from program information. This person will review all profile reports generated from program data and will distribute proactive reports of identified at-risk patients or indiscriminate prescribers to the appropriate parties, will review and determine the validity of requests for profile data from law enforcement and regulatory agents.

The program assistant is anticipated to receive a merit increase after 1 year of employment.

A 2% cost of living adjustment is anticipated for both employees the second year of employment.

TOTAL PERSONNEL WAGES \$124,020

B. Fringe Benefits

Benefit Computation Cost

Employer's FICA (\$124,020 x 7.65%) \$9,488

NDPERS (Retirement) (\$124,020 x 9.00%) \$11,162

Health Insurance (\$554 x 1.25 FTE x 24 months) \$16,618

Life Insurance (\$50,000) (\$28 x 1.25 x 24 months) \$745

Workers Compensation Insurance (\$124,020 x 1.9%) \$1,116

Unemployment Insurance (124,020 x 0.45%) \$558

Except as noted below, health, and life insurance premium benefits are calculated based on the average costs of those benefits currently provided to all North Dakota State Board of Pharmacy employees. Other benefit rates are current state of North Dakota Board of Pharmacy rates as a percentage of wages.

TOTAL FRINGE BENEFITS \$39,687

C. Travel

Purpose and Location of Travel Item and Computation Cost

Statewide education/information presentations to health professionals and the public regarding program activities and goals Mileage (3000 miles x 0.375/mile) \$1,125

Statewide education/information presentations to health professionals and the public regarding program activities and goals Refreshments provided for attendees (\$5/person x 800) \$4,000

Hotel for program staff for 10 programs (\$50/person/night x 2 people x 10) \$1,000

Meals for program staff for 10 programs (\$25/person/day x 2 x 10) \$500

Midwest Regional Planning Meeting -- State Prescription Monitoring Programs Assume average level 3 city for meal reimbursement (\$40/day), lodging rate of \$125 per day, and airline ticket \$550; including travel time, assume 2 travel days and 1 overnight; cost is provided for 2 attendees \$1,510

Annual National Conference -- State Prescription Monitoring Programs Meal reimbursement (\$45/day, lodging rate of \$170 per day, airline ticket \$625; including travel time, assume 2 travel days and 1 overnight, cost is provided for 2 attendees \$1,770

Advisory Group (3 practitioners and 3 pharmacists) to develop and review policy for notification of providers based on report generation Six group members and staff for travel to 3 meetings per year at \$200 per group member per meeting (6 x \$200 x 3) \$3,600

Travel is anticipated for 10 to 20 educational or informational sessions to be provided throughout the state. These sessions, if sponsored by the program, would be open to the public and would include refreshments as an inducement for attendance. Travel expenses, not including refreshment costs, may also be incurred by program personnel responding to requests from health professionals or other civic groups to present information regarding the program

and program goals.

Travel for the Midwest and National conferences is important to provide program personnel the opportunity to discuss progress and ideas regarding use and enhancement of prescription drug monitoring programs, to coordinate ideas regarding sharing applicable program data between and among states, and to establish contacts with other states' program personnel. These meetings also provide an opportunity to review and evaluate statistical information derived from program data and to share problems and solutions.

Travel estimates are based on State of North Dakota in-state travel & subsistence reimbursement policy: mileage is reimbursed at \$0.375 per mile; meals are reimbursed to a maximum \$25 per day; lodging is reimbursed at a maximum \$50 per night.

Out-of-state travel is based on State of North Dakota out-of-state reimbursement policy: actual cost of air travel if most cost-effective carrier utilized; actual cost of lodging if at the location of the meeting/conference; actual meal costs to the maximum daily rate for the destination-city level of reimbursement.

Costs for the Annual National Conference assume that the conference will continue to be held in Washington, DC (level 4 city) and the Regional Planning Meeting will be held in a central state.

TOTAL TRAVEL \$13,505

D. Equipment

Computer and Software	\$3,000
Fax/Scanner/Printer	\$800
Office Furniture	\$2,400
Office Cubicle	\$2,400
Total Equipment	\$8,600

Equipment for use of the program assistant within an existing office. Laptop Computer with software, a high speed fax machine, desk and console, with cubicle barriers for semi-privacy.

E. Supplies

Supply Item
Computation
Cost

Office Supplies
(\$80/month x 24 months)
\$1,920

Postage/Delivery Charges
(\$100/month x 24 months)
\$2,400

Educational Brochures for Health Care Practitioners
(\$400/1,000 x 3,000)
\$1,200

Educational Brochures for the Public
(\$400/1,000 x 30,000)
\$12,000

Office supplies are needed for general operation of the program.

Postage is needed to deliver educational materials to prescribers, pharmacies, and other interested parties and to deliver hard-copy profiles and statistical reports to qualified requestors.

Educational materials will be developed and used by program personnel and others involved in educating prescribers, pharmacists, and the public regarding the appropriate use of prescription and nonprescription medications, diversion and abuse issues, and treatment and recovery options. Educational brochures will be made available to health care practitioners at various meetings and through direct mail as requested and to the public in pharmacies, prescribers' offices, schools and libraries, retail outlets and other public access locations, and through direct mail request.

TOTAL SUPPLIES
\$17,520

F. Construction

No funding will be expended pursuant to this grant for construction purposes.

G. Consultant/Contract

DescriptionComputationCost

Contract for upgrade of Medicaid computer system to generate reports and receive data. Software engineer at \$125 per hour for 100 hours\$12,500

Contractor Cost-collect/assist with collection of controlled substance prescription data. Estimate of \$54,000 in startup year and \$46,000 in second year\$100,000

Upgrade for database applications and maintenance cost is based on usual costs incurred by Medicaid for similar work at present. Costs for data collection contractor is based on estimates from similar programs such as Wyoming and Nevada

TOTAL CONSULTANT/CONTRACT\$112,500

H. Other Costs

DescriptionComputationCost

Telecommunications(\$180 x 24 mos.)\$4,320

Utilities\$100 x 24 months\$2,400

Recruitment Costs for Program AssistantOne Time Expense\$1,200

Telecommunications includes monthly costs for 2 cellular telephones for the pharmacist and technical support person. Due to the travel requirements imposed on these positions, portable telephones will be needed. A dedicated high speed fax line to accommodate the large volume of faxed profiles expected and a DSL internet connection.

TOTAL OTHER COSTS\$7,920

I. Indirect Costs

DescriptionComputationCost

15% of personnel salaries and fringe benefits(\$323,034 x 15%)\$48,563

The North Dakota Department of Human Services has a federally approved cost allocation plan on file with our cognizant agency, The Department of Health and Human Services.

TOTAL INDIRECT COSTS\$48,563

BUDGET SUMMARY

Budget CategoryAmount

A. Personnel Wages\$124,020

B. Fringe Benefits\$39,687

C. Travel\$13,505

D. Equipment\$8,600

E. Supplies\$17,520

F. Construction0

G. Consultant/Contract\$112,500

H. Other\$7,920

TOTAL DIRECT COSTS\$323,752

I. Indirect Costs\$48,563

TOTAL PROJECT COSTS\$372,315

Name:	Howard C. Anderson	Agency:	Board of Pharmacy
Phone Number:	701-328-9535	Date Prepared:	03/08/2007

