

FISCAL NOTE
Requested by Legislative Council
01/02/2007

Bill/Resolution No.: 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).*

This bill adds two sections to the action taken by HB 1459 from last session. It adds an immunity provision and adds tramadol and carisoprodol to the list of drugs to be monitored. There is only grant funds allocated to be spent.

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.*

This has no appropriated funds connected with it.

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.

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 application.

NORTH DAKOTA PRESCRIPTION DRUG MONITORING PROGRAM
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BUDGET WORKSHEET & NARRATIVE

<u>A. Personnel</u>	
<i>Name/Position</i>	<i>Computation</i>
Program Assistant (1 FTE)	$(\$40,000 \times 100\% \times 2.00 \text{ years})$
	\$80,000
Pharmacist/Director (0.25 FTE)	$(\$84,000 \times 25\% \times 2.00 \text{ years})$
	\$42,000
Merit increase	$(\$40,000 \times 2\% \times 1.00 \text{ year})$
	\$800
Cost of living increase	$(\$61,000 \times 2\% \times 1.00 \text{ year})$
	\$1,220
<p>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.</p> <p>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.</p> <p>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.</p>	
TOTAL PERSONNEL WAGES	
\$124,020	

<u>B. Fringe Benefits</u>	
<i>Benefit</i>	<i>Computation</i>
Employer's FICA	$(\$124,020 \times 7.65\%)$
	\$9,488
NDPERS (Retirement)	$(\$124,020 \times 9.00\%)$
	\$11,162
Health Insurance	$(\$554 \times 1.25 \text{ FTE} \times 24 \text{ months})$
	\$16,618
Life Insurance	$(\$50,000) (\$28 \times 1.25 \times 24 \text{ months})$
	\$745
Workers Compensation Insurance	$(\$124,020 \times 1.9\%)$
	\$1116
Unemployment Insurance	$(124,020 \times 0.45\%)$
	\$558
<p>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.</p>	
TOTAL FRINGE BENEFITS	
\$39,687	

<u>C. Travel</u>	
<i>Purpose and Location of Travel</i>	<i>Item and Computation</i>
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
<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>		
TOTAL TRAVEL		\$13,505

<u>D. Equipment</u>	
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
<p>Office supplies are needed for general operation of the program.</p> <p>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.</p> <p>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.</p>		
TOTAL SUPPLIES		\$17,520

<u>F. Construction</u>
No funding will be expended pursuant to this grant for construction purposes.

<u>G. Consultant/Contract</u>
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

<u>H. Other Costs</u>
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

Description Computation Cost

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 Category Amount

A. Personnel Wages \$124,020

B. Fringe Benefits \$39,687

C. Travel \$13,505

D. Equipment \$8,600

E. Supplies \$17,520

F. Construction 0

G. Consultant/Contract \$112,500

H. Other \$7,920

TOTAL DIRECT COSTS \$323,752

I. Indirect Costs \$48,563

TOTAL PROJECT COSTS \$372,315

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