



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
**(803)734-3780 • RFA.SC.GOV/IMPACTS**

*This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.*

---

|                        |   |                               |
|------------------------|---|-------------------------------|
| <b>Bill Number:</b>    | S. 0911   | Introduced on January 9, 2024 |
| <b>Author:</b>         | Gambrell  |                               |
| <b>Subject:</b>        | Dispensing Drugs Acquired from Outsourcing Facilities |                               |
| <b>Requestor:</b>      | Senate Medical Affairs                                |                               |
| <b>RFA Analyst(s):</b> | Wren  |                               |
| <b>Impact Date:</b>    | February 15, 2024                                     |                               |

---

### **Fiscal Impact Summary**

This bill permits any person or entity authorized to dispense drugs, including, but not limited to, a pharmacy, institutional pharmacy, or practitioner to purchase or acquire drugs compounded or repackaged by an outsourcing facility directly from the outsourcing facility without an order from a practitioner.

This bill will have no expenditure impact on the Department of Public Health (DPH) (formerly DHEC), the Department of Labor, Licensing or Regulation (LLR), or the Department of Alcohol and Other Drug Abuse Services (DAODAS) since the bill does not operationally or fiscally impact the agencies. The bill will have no expenditure impact on the Department of Mental Health (DMH), the Department of Vocational Rehabilitation (Vocational Rehabilitation), the Department of Veterans' Affairs (Veterans' Affairs), or the Department of Disabilities and Special Needs (DDSN) since the bill does not impose additional requirements on current pharmacy operations. Additionally, the bill will have no expenditure impact on the Medical University of South Carolina (MUSC) since any expenses to implement the provisions of the bill can be managed with existing resources. Further, the South Carolina Public Employee Benefit Authority (PEBA) indicates that the bill will have no expenditure impact on the State Health Plan or its pharmacy reimbursements.

The Department of Health and Human Services (DHHS) indicates that any initial expenses to implement the provisions of the bill can be managed with existing resources, unless there is an unforeseen ramp-up in utilization, since the department has a cost-savings model in place for pharmacy operations. DHHS further indicates that the bill may increase Other Funds and Federal Funds expenses in future years by an undetermined amount depending on the compounded or repacked drug that is acquired, administered, or dispensed without involvement from the practitioner or consistency with regards to drug rebates.

### **Explanation of Fiscal Impact**

#### **Introduced on January 9, 2024**

#### **State Expenditure**

This bill permits any person or entity authorized to dispense drugs, including, but not limited to, a pharmacy, institutional pharmacy, or practitioner to purchase or acquire drugs compounded or

repackaged by an outsourcing facility directly from the outsourcing facility without an order from a practitioner. An outsourcing facility is defined as a facility registered with the United States Food and Drug Administration to operate under Section 503B of the Federal Food and Cosmetic Act.

**Department of Public Health.** The Department of Health and Environmental Control will become DPH and the Department of Environmental Services beginning July 1, 2024. This bill will have no expenditure impact on DPH since the bill does not operationally or fiscally impact the agency.

**Department of Labor, Licensing and Regulation.** This bill will have no expenditure impact on LLR since the bill does not alter the responsibilities of the department or the Board of Pharmacy.

**Department of Alcohol and Other Drug Abuse Services.** The bill will have no expenditure impact on DAODAS since it does not operationally or fiscally impact the agency.

**Department of Mental Health.** DMH indicates that this bill will have no expenditure impact on the department since it does not impose additional requirements on the department's pharmacy operations.

**Department of Vocational Rehabilitation.** This bill will have no expenditure impact on the Vocational Rehabilitation since the agency does not prescribe or directly purchase medication to be dispensed by staff. The department administers existing medication as prescribed by the individual's physician.

**Department of Veterans' Affairs.** This bill will have no expenditure impact on Veterans' Affairs since the bill requires the department to perform activities that can be conducted in the normal course of business in oversight of contracted facilities.

**Department of Disabilities and Special Needs.** DDSN indicates that this bill will have no expenditure impact on the department since the bill requires the department to perform activities that can be conducted in the normal course of business.

**Medical University of South Carolina.** MUSC anticipates that the bill may have a minimal impact on the agency but expects that any expenses to implement the bill can be managed with existing resources.

**Public Employee Benefit Authority.** PEBA does not anticipate that this bill will have an expenditure impact on the State Health Plan or its pharmacy reimbursements.

**Department of Health and Human Services.** DHHS indicates that any initial expenses to implement the provisions of the bill can be managed with existing resources, unless there is an unforeseen ramp-up in utilization, since the department has a cost-savings model in place for pharmacy operations. DHHS further indicates that the bill may increase Other Funds and Federal expenses in future years by an undetermined amount depending on the compounded or repacked

drug that is acquired, administered, or dispensed without involvement from the practitioner or consistency with regards to drug rebates.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director