

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 843 – SB 810

March 4, 2019

SUMMARY OF ORIGINAL BILL: Requires health care prescribers to issue all prescriptions for controlled substances electronically on or after January 1, 2021. Authorizes a healthcare practitioner to prescribe a partial fill of an opioid. Authorizes a pharmacist to have discretion regarding a partial filling for a Schedule III-V controlled substance. Requires, by January 1, 2020, all pharmacy dispensing software vendors update their software to allow for a partial fill of a controlled substance. Authorizes the Board of Pharmacy (BOP) to take action against pharmacy dispensing software vendors for non-compliance. Deletes treatment guidelines for prescribing opioids and pain clinics.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (005142): Deletes and replaces language of the original bill to change the date by which all pharmacy dispensing software vendors are required to update their software to allow for a partial fill of a controlled substance, from January 1, 2020 to January 1, 2021. Removes language that deleted treatment guidelines for prescribing opioids and pain clinics.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Based on information provided by the Department of Finance and Administration, Division of Benefits Administration (Benefits Administration), Benefits Administration provides pharmaceutical benefits to the state group insurance program members through a carved out pharmacy benefits manager (PBM). The PBM can comply with the proposed legislation using their current system configuration.
- Based on information provided by the Division of TennCare (Division), the Division would not pay an additional dispensing fee for the partial fills; therefore, any fiscal impact is estimated to be not significant

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- The BOP will ensure compliance with the requirements regarding system updates utilizing existing resources without a significant increase in expenditures.
- Any costs for pharmacy dispensing software updates will be borne by private software vendors.
- Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The Board of Pharmacy had an annual surplus of \$620,117 in FY16-17, an annual surplus of \$811,793 in FY17-18, and a cumulative reserve balance of \$3,206,511 on June 30, 2018.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/vlh