



February 19, 2022

SUMMARY OF BILL: Creates the *Accessible Prescription Labels Act*, which requires pharmacies to provide individuals who are blind, visually impaired, or otherwise print disabled with their prescription labels in audible, large print, or Braille labels.

FISCAL IMPACT:

Increase State Expenditures - \$332,600/FY22-23 and Subsequent Years

Increase Federal Expenditures - \$515,500/FY22-23 and Subsequent Years

Increase Local Expenditures - \$4,700/FY22-23 and Subsequent Years*

Assumptions:

- Local health departments under the authority of the Department of Health will have to purchase equipment to be able to label medication bottles with radio-frequency identifications (RFID) chips and readers. The cost associated with obtaining the necessary equipment is estimated to be \$775 (\$745 for equipment + \$30 for shipping) each, with 89 health departments requiring them statewide. Annual lease is estimated to be \$200 per year and is included in the \$745 figure above. This would result in a recurring increase in state expenditures of \$68,975 (\$775 x 89).
- Six county health departments, Madison, Shelby, Knox, Davidson, Hamilton, and Sullivan, operate under local governance. It is assumed that all six local governments would need to purchase equipment, as well.
- The mandatory increase in local government expenditures would be \$4,650 (\$775 x 6) in FY22-23 and subsequent years.
- It is assumed that pharmacies that are contracted with the Division of TennCare would offset the cost of purchasing the necessary equipment required by the proposed legislation by increasing professional dispensing fees to \$0.06 per prescription.
- According to the Division, in FY19-20 there were approximately 12,986,431 prescriptions that were dispensed that, under the proposed legislation, would have this raised fee. This would lead to an estimated increased expenditure of \$779,186 (12,986,431 prescriptions x \$0.06) per year.
- This estimated expenditure would receive matching funds at a rate of 66.165 percent federal funds to 33.835 percent state funds. Of this amount \$263,638 (\$779,186 x

33.835%) will be in state funds and \$515,548 (\$779,186 x 66.165%) will be in federal funds.

- In total, the proposed legislation will lead to an increase in state expenditures of \$332,613 (\$68,975 + \$263,638) in FY22-23 and subsequent years.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

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

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