Fiscal Note & Local Impact Statement

127 th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **Sub. H.B. 283** DATE: **May 23, 2008**

STATUS: **As Passed by the Senate** SPONSOR: **Rep. Webster**

LOCAL IMPACT STATEMENT REQUIRED: **No — No local cost**

CONTENTS: **Permits pharmacy schools to accept dangerous drugs for instructional purposes, provides a license exemption, and modifies authority of pharmacists to immunize adults**

State Fiscal Highlights

STATE FUND	FY 2009	FY 2010	FUTURE YEARS
General Funds of Universities with Pharmacy Schools			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential decreases in purchasing dangerous drugs for instructional purposes		
Fund 4K9 - State Board of Pharmacy			
Revenues	Potential decrease of approximately $400,000 per year in licensing revenues due to exemption, possibly offset somewhat by recuperated investigation costs		
Expenditures	Potential increase in administrative costs for adopting and maintaining rules		

Note: The state fiscal year is July 1 through June 30. For example, FY 2007 is July 1, 2006 – June 30, 2007.

- Four state universities with pharmacy schools could potentially lower their spending on purchases of dangerous drugs used for instructional purposes. It is estimated that each of the four public pharmacy schools spends from about $10,000 to $50,000 annually on drugs for instructional purposes.

- The bill includes license exemptions that may decrease State Board of Pharmacy revenues by approximately $400,000, according to the Board. A provision in the bill that requires these exempted entities, if found guilty of a crime investigated by the Board, to reimburse the costs of the investigation may offset some of the revenue decrease.

- The State Board of Pharmacy could incur some administrative costs for adopting and maintaining rules governing the donation of dangerous drugs to pharmacy schools and new immunizations that may be administered by licensed pharmacists.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

Drug Donation to Pharmacy Schools

The bill allows any person or entity to donate certain dangerous drugs, including expired dangerous drugs, to pharmacy schools approved by the State Board of Pharmacy. It also allows pharmacy schools to accept such donations for instructional purposes only, with the exception of clinical instruction involving the ingestion or absorption of the drugs by humans or animals. Under current law pharmacy schools are not permitted to receive or use donated dangerous drugs. The bill requires the State Board of Pharmacy to adopt rules governing the donation of dangerous drugs to pharmacy schools. It also grants the State Board of Pharmacy, the Director of Health, donors, and pharmacy schools accepting donated dangerous drugs limited immunity from any criminal, civil, or professional liability for matters relating to the donation or acceptance of the drugs.

The State Board of Pharmacy could incur some administrative costs for adopting and maintaining rules governing the donation of dangerous drugs to pharmacy schools. Colleges and universities with pharmacy schools approved by the State Board of Pharmacy could potentially lower their spending in purchasing dangerous drugs for instructional purposes. Currently, four public universities and two independent nonprofit universities have approved pharmacy schools. These six universities are: (1) The Ohio State University, (2) the University of Toledo, (3) the University of Cincinnati, (4) the Northeastern Ohio Universities Colleges of Medicine and Pharmacy (NEOUCOM), (5) Ohio Northern University (independent nonprofit), and (6) the University of Findlay (independent nonprofit). It is estimated that each of the four public schools of pharmacy spends between $10,000 and $50,000 annually on drugs for instructional purposes.[1]

License Exemptions

The bill permits certain corporations, limited liability companies, and professional associations to purchase and distribute dangerous drugs without obtaining a terminal distributor of dangerous drugs license from the State Board of Pharmacy. To be eligible for this exemption, all owners or members of the entities must be required to be licensed health professionals who are authorized to prescribe drugs. Fees for terminal distributor of dangerous drugs licenses range from $40 to $150 per year. According to the Board, fee revenues may decrease by approximately $400,000 per year due to the bill's license exemption. The bill also requires that if one of these exempted entities is found guilty or pleads guilty to a criminal offense that has been investigated by the Board, the entity is responsible for reimbursing any investigative costs related to the offense that are incurred by the Board. These reimbursements could offset some of the revenue lost due to the license exemptions.

[1] The Ohio State University and the University of Cincinnati indicate that they spend about $10,000 and $30,000, respectively, per year on drugs for instructional purposes.

Immunizations

The bill permits licensed pharmacists to administer additional immunizations to individuals eighteen years or older.[2] The particular immunizations permitted are to be determined by rule of the State Board of Pharmacy after consultation with the State Medical Board. The development of the list of additional immunizations and rules governing them could increase the Board's administrative costs.

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[2] Under continuing law, pharmacists are permitted to administer adult immunizations for influenza, pneumonia, tetanus, hepatitis A, hepatitis B, meningitis, diphtheria, and pertussis.