Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: Sub. S.B. 301 of the 129th G.A. **Date**: November 19, 2012

Status: As Passed by the House **Sponsor**: Sens. Burke and Cafaro

Local Impact Statement Procedure Required: No

Contents: Health care professional licensing

State Fiscal Highlights

STATE FUND	FY 2013 – FUTURE YEARS
Occupational Licensing and Regulatory Fund (Fund 4K90)	
Revenues	Potential negligible annual effect on Board of Pharmacy licensing fees
Expenditures	Potential annual increase in Pharmacy and Dental boards' costs related to disciplinary hearings
State Medical Board Operating Find (Fund 5C60)	
Revenues	- 0 -
Expenditures	Potential annual increase in Medical Board costs related to: (1) disciplinary hearings and (2) pain management clinic inspection costs

Note: The state fiscal year is July 1 through June 30. For example, FY 2013 is July 1, 2012 – June 30, 2013.

- **Board of Pharmacy**. The Board of Pharmacy may experience an increase in expenditures associated with disciplinary hearings (if more actions are taken annually) and, to a lesser extent, the drafting and adopting of rules. The Board's annual licensing revenues may either increase or decrease due to the definitional changes made to "pain management clinics," the net effect of which would likely be negligible. The Board's revenues and expenditures are mainly handled through the Occupational Licensing and Regulatory Fund (Fund 4K90).
- **Dental Board**. The Dental Board may experience an increase in annual expenditures associated with disciplinary hearings (if more actions are taken). The Board's sole source of financing is Fund 4K90.
- **Medical Board**. The Medical Board may experience an increase in annual expenditures associated with disciplinary hearings (if more actions are taken) and the investigation of certain pain management clinics. The Board's sole source of financing is the State Medical Board Operating Fund (Fund 5C60).

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill: (1) modifies the enforcement powers of the State Board of Pharmacy, the State Medical Board, and the State Dental Board, and (2) makes changes that are generally related to the regulation of pain management clinics and controlled substances. None of these provisions are expected to have a fiscal impact on local jurisdictions.

Disciplinary procedures

The bill makes changes to the disciplinary processes for the Board of Pharmacy, the Medical Board, and the Dental Board. For each of these boards, additional options are provided for taking disciplinary action against a licensed individual. Generally speaking, these changes could result in an increase in the number of disciplinary hearings that are held annually by each of these health care professional licensing boards, thus potentially increasing the annual costs incurred by these boards. For the Board of Pharmacy and the Dental Board, these costs would be paid for with money appropriated from the Occupational Licensing and Regulatory Fund (Fund 4K90). For the Medical Board, these costs would be paid for with money appropriated from the State Medical Board Operating Fund (Fund 5C60).

Pain management clinics

Medical Board

The bill modifies the investigative and inspection authority of the Medical Board as it relates to pain management clinics. The bill authorizes the Medical Board to inspect facilities that are licensed as terminal distributors of dangerous drugs with pain management clinic classification, or facilities or physician practices that the Board suspects are illegally operating as such. As a result of this change, the Medical Board may experience an annual increase in its investigative costs, which are paid for with money appropriated from Fund 5C60.

Board of Pharmacy

Licensing revenues

The bill modifies the definition of a "pain management clinic." As a result of this change, the number of pain management clinics that will require licensing by the Board of Pharmacy could either increase or decrease. The fee for a new license is $150 per year (established in Am. Sub. H.B. 93 of the 129th General Assembly). However, since most of these facilities are already licensed as a terminal distributor of dangerous drugs, any effect on annual licensing fee revenues, which are deposited into Fund 4K90, will likely be negligible.

Disciplinary actions

The bill requires the holder of a license as a terminal distributor of dangerous drugs with a pain management clinic classification to comply with the requirements for the operation of a clinic that are adopted by the Medical Board. Under current law, the Medical Board may take professional disciplinary action against a physician for failure to comply with these rules, but the Pharmacy Board is not authorized to take action against the terminal distributor license holder. The bill provides that the Pharmacy Board may take disciplinary action against the terminal distributor for failure to comply with the rules adopted by the Medical Board. As a result of this change, the Board of Pharmacy may experience an increase in the number of disciplinary actions that are taken annually, thus potentially increasing their annual expenditures, which are funded by money appropriated from Fund 4K90.

Rule-making authority

The bill provides the Board of Pharmacy authority to adopt rules it considers necessary to implement and administer the law governing the licensing of pain management clinics. Such rules are typically drafted and updated routinely by the Board and any increase in administrative expense should be minimal at most.

Controlled substances

The bill expands the types of controlled substances that are not included in determining if a prescriber personally furnished controlled substances in an amount that exceeds that allowed by current law. The bill also corrects a misspelling of the schedule I controlled substance "methylenedioxypyrovalerone" (commonly known as "bath salts") and moves this drug and a number of other controlled substances from the category of "hallucinogens" into the category of "stimulants." These changes are not expected to directly impact the revenues or expenditures of the state.

Ohio Automated Rx Reporting Systems (OARRS)

The bill modifies the laws governing submission of information to and requests for information from the Ohio Automated Rx Reporting System (OARRS). These changes are not expected to directly impact the revenues or expenditures of the Board of Pharmacy, the entity responsible for administering and maintaining OARRS.

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