



Ohio Legislative Service Commission

Justin Pinsker

Fiscal Note & Local Impact Statement

Bill: Sub. H.B. 378 of the 130th G.A.

Date: December 2, 2014

Status: As Reported by House Health and Aging

Sponsor: Reps. Smith and Sprague

Local Impact Statement Procedure Required: No

Contents: To establish requirements regarding controlled substances containing buprenorphine used for the purpose of treating drug dependence or addiction

State Fiscal Highlights

- The bill requires a license as a terminal distributor to possess or distribute controlled substances containing buprenorphine. As a result, the State Pharmacy Board would experience a potential gain of up to \$67,500 in license fee revenue (450 licenses x \$150 per license). Revenue would be deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90). There would be a minimal increase in administrative costs to the State Pharmacy Board to process the new licenses. In addition, there could be additional investigation and enforcement costs for the new licenses depending on the number of investigations.
- The bill criminalizes a prescriber personally furnishing more than 2,500 dosage units of controlled substances in a 30-day period and personally furnishing more than a 72-hour supply of a controlled substance to a patient in a 72-hour period. A first offense is a misdemeanor of the first degree and a subsequent offense is a felony of the fifth degree. A misdemeanor of the first degree is punishable by up to six months in jail and a maximum fine of \$1,000. A fifth degree felony is punishable by six to twelve months in jail and a maximum fine of \$2,500. In some of these cases, multiple charges could be stacked against an individual. As such, some individuals could be sentenced to a term of incarceration in a local jail or in state prison. However, given that the violators of this provision are nonviolent offenders, jail or prison time is unlikely. Depending upon the number of successful prosecutions, the state could realize a gain in court cost revenues for the Indigent Defense Support Fund (Fund 5DY0) and the Victims of Crime/Reparations Fund (Fund 4020). In certain criminal investigations, the leading law enforcement agency may retain a portion of the fine revenue.
- The bill requires the State Medical Board to adopt rules that establish standards and procedures to be followed by physicians in the use of controlled substances in schedule III, IV, or V to treat opioid dependence or addiction. There would be a cost to the State Medical Board to adopt rules.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.
-

Detailed Fiscal Analysis

State Pharmacy Board

The bill requires a license as a terminal distributor to possess or distribute controlled substances containing buprenorphine. According to the State Pharmacy Board, there would be approximately 450 applications for this license by providers that currently possess or distribute these medications. The current fee for a terminal distributor license is \$150. The State Pharmacy Board would experience a potential gain of up to \$67,500 in license fee revenue (450 x \$150). Revenue would be deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90). There would be a minimal increase in administrative costs to the State Pharmacy Board to process the new licenses. In addition, there could be additional investigation and enforcement costs for the new licenses depending on the number of investigations.

The bill criminalizes a prescriber personally furnishing more than 2,500 dosage units of controlled substances in a 30-day period and personally furnishing more than a 72-hour supply of a controlled substance to a patient in a 72-hour period. A first offense is a misdemeanor of the first degree and a subsequent offense is a felony of the fifth degree. The bill exempts from this provision buprenorphine provided as part of an opioid treatment program certified by the Substance Abuse and Mental Health Services Administration and the program distributes both buprenorphine and methodone.

A misdemeanor of the first degree is punishable by up to six months in jail and a maximum fine of \$1,000. A fifth degree felony is punishable by six to twelve months in jail and a maximum fine of \$2,500. In some of these cases, multiple charges could be stacked against an individual. There could be additional prosecutions related to violations of the bill's prohibited conduct. As such, some individuals could be sentenced to a term of incarceration in a local jail or in state prison. However, given that the violators of this provision are nonviolent offenders, jail or prison time is unlikely. Depending upon the number of successful prosecutions, the state could realize a gain in court cost revenues for the Indigent Defense Support Fund (Fund 5DY0) and the Victims of Crime/Reparations Fund (Fund 4020). In certain criminal investigations, the leading law enforcement agency may retain a portion of the fine revenue.

State Medical Board

The bill requires the State Medical Board to adopt rules that establish standards and procedures to be followed by physicians in the use of controlled substances in schedule III, IV, or V to treat opioid dependence or addiction. The bill permits the State Medical Board to limit the application of the rules to treatment provided through an

office-based practice or other practice type or location specified by the State Medical Board. There would be a cost to the State Medical Board to adopt rules.

HB0378HR.docx/jc