

February 27, 2013

The Honorable Pete DeGraaf, Chairperson
House Committee on General Government Budget
Statehouse, Room 459-W
Topeka, Kansas 66612

Dear Representative DeGraaf:

SUBJECT: Fiscal Note for HB 2237 by House Committee on Vision 2020

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2237 is respectfully submitted to your committee.

The Kansas Board of Pharmacy administers the Prescription Drug Monitoring Program through a database named K-TRACS (Kansas Tracking and Reporting of Controlled Substances). When the 2008 Legislature enacted the Prescription Monitoring Program Act, it required the Board to establish and maintain the program, but prohibited the Board from assessing fees to cover the costs. The Board currently funds the program through federal grants, but is unsure of the availability of grant support from the federal government in future years. HB 2237 would allow the Board to assess an annual portal fee to any group or individual that uses the K-TRACS database including, but not limited to, a wholesale distributor, pharmacist, dispenser or other person authorized to prescribe or dispense scheduled substances and drugs of concern. The annual portal fee could not exceed the cost of operating the program.

Estimated State Fiscal Effect				
	FY 2013 SGF	FY 2013 All Funds	FY 2014 SGF	FY 2014 All Funds
Revenue	--	--	--	\$130,000
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

The Board of Pharmacy indicates the annual costs to operate the Prescription Monitoring Program are approximately \$300,000. The Board indicates it has recently entered a three-year pilot program that will reduce annual program costs for software by approximately \$125,000. The Board estimates that the fee it would assess to Health Information Networks for use of K-TRACS would increase revenue to the Board of Pharmacy Fee Fund by \$130,000 in FY 2014,

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which would be sufficient to cover salaries and wages associated with the program. The Board would absorb the remaining program costs within existing resources. Any fiscal effect associated with HB 2237 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Debra Billingsley, Board of Pharmacy