



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0918 Signed by Governor on May 15, 2018
Author: Peeler
Subject: Prescription Reports
Requestor: Senate
RFA Analyst(s): A. Martin
Impact Date: July 24, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	\$13,500	\$783,641
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will increase non-recurring General Fund expenditures by \$13,500 in FY 2018-19 for modifications to the prescription monitoring program (PMP), which is administered by the Department of Health and Environmental Control (DHEC). Furthermore, this bill will increase General Fund expenditures by \$783,641 annually beginning in FY 2019-20 to replace federal funding that will end August 31, 2019.

This bill will have no impact on the General Fund, Other Funds, or Federal Funds of the Department of Labor, Licensing and Regulation (LLR) because it does not materially alter the oversight or regulatory duties of the Board of Medical Examiners, which is under the administration of LLR.

Explanation of Fiscal Impact

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State Expenditure

This bill requires DHEC to develop and maintain a system to provide prescription report cards to practitioners that will inform them of certain prescribing trends. This new system will be an upgrade to DHEC's existing PMP. The bill requires DHEC to coordinate with, at minimum, the Board of Medical Examiners to develop and implement this program. Additionally, this bill establishes quantity limitations on certain initial opioid prescriptions.

Department of Health and Environmental Control. Although DHEC currently issues prescription report cards, this bill requires different metrics that will necessitate modifications to

the current PMP. DHEC reports that these upgrades to the system will increase non-recurring General Fund expenditures by \$13,500 in FY 2018-19.

The prescription monitoring program is currently supported by a combination of Federal Funds and Other Funds. Federal funding for this program will end on August 31, 2019. DHEC indicates that the department will need additional resources in the form of recurring General Funds in order to continue the program. Salary and fringe benefits for personnel support of the PMP total \$416,711. Of this total, \$283,363 comes from federal funding. In addition, operating costs for the PMP total \$667,037. These costs include the upkeep of the Enhanced User Interface, which will be used by authorized personnel to identify and deter drug diversion. Also included in these costs are the upkeep of the central repository for all Schedule II-IV controlled substance prescriptions dispensed in the state, and security measures for data collection, transmission, and dissemination. Of this total, \$500,278 comes from federal funding. Therefore, this bill will increase General Fund expenditures by \$783,641 beginning FY 2019-20 from the loss of federal funding.

Department of Labor, Licensing and Regulation. While this bill creates additional duties for practitioners, pharmacists, and other licensed professionals, it does not alter the activities of their related boards. Therefore, this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of the agency.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director