FISCAL UPDATE Article

Fiscal Services Division

May 15, 2018

Ground Floor, State Capitol Building Des Moines, Iowa 50319 515.281.3566

END OF SESSION – HF 2377 – OPIOID REGULATION

Description. House File 2377 makes a variety of changes to the practice of pharmacy.

Division I of the Act updates the Prescription Monitoring Program (PMP) in the following ways:

- Adds opioid antagonists to the list of drugs reportable to the Program and requires first responders, excluding emergency medical care providers, to report administration of opioid antagonists.
- Establishes a transfer of information from the Department of Public Health to the Board of Pharmacy on administration of opioid antagonists by emergency medical providers.
- Requires all prescribing practitioners to register for the Program.
- Requires pharmacies or prescribing practitioners that dispense a controlled substance to report the dispensing of the controlled substance to the Program within one business day.
- Removes the four-year retention limit of Program information.
- Authorizes the Board of Pharmacy to establish a surcharge of up to 25.0% on the Controlled Substances Act (CSA) registration fee under Iowa Code section 124.302. Revenues are required to be deposited in the Drug Information Program Fund.

Division II requires all prescriptions to be electronically transmitted to a pharmacy effective January 1, 2020, and includes provisions for exemptions and administrative penalties.

Division III requires the Board of Pharmacy to annually issue a prescribing practitioner activity report of PMP activity to each practitioner registered with the Program. The Division also requires the Board to include information on general patient risk factors and educational updates in the PMP.

Division IV requires the Board of Pharmacy to establish criteria for the identification of patients who are potentially misusing or abusing prescription opioids, and authorizes the Board to proactively notify the pharmacist and prescribing practitioner involved in the patient's care of the Board's concern. The Division also requires licensing boards that have prescribing practitioners to establish penalties for those who prescribe in dosage amounts exceeding what would be prescribed by a reasonably prudent prescribing practitioner. The Boards of Medicine, Dentistry, Physician Assistants, Podiatry, and Nursing are required to adopt rules requiring licensees who have prescribed opioids to a patient during the previous licensure cycle to receive continuing education credits regarding the U.S. Centers for Disease Control and Prevention guidelines for prescribing opioids. The Act also rescinds current Board of Medicine administrative rules on training for chronic pain management for permanent or special license renewal.

Division V modifies Iowa Code chapter 124 (Controlled Substances Act) in the following ways:

- Removes "biennial" from the CSA registration requirements, which will permit registration frequency to be established by the Board of Pharmacy.
- Expands the disciplinary action available for the Board to take against CSA registrants beyond suspension, revocation, or restriction.

Division VI relates to CSA classification. The Act classifies 12 substances as Schedule I controlled substances under Iowa Code section 124.204(9). Penalties for possession of these substances will range from a serious misdemeanor (for first offense of unlawful possession) to a Class B or Class C felony (for manufacturing and delivery). The Act adds one substance as a Schedule II controlled substance under Iowa Code section 124.206. Penalties for possession of this substance will range from

a serious misdemeanor (first offense of unlawful possession) to a Class C felony (for manufacturing and delivery). The Act also adds one substance as a precursor substance for purposes of reporting requirements in Iowa Code section 124B.2. The penalty for possession of this substance will be a Class C felony (for manufacturing and delivery).

Division VII creates a Good Samaritan protection ensuring that a person seeking treatment for a drug-related overdose, or a person seeking medical treatment for a person experiencing a drug-related overdose, cannot be arrested or prosecuted for certain controlled substances-related violations on the basis of information collected or derived from the person's actions in seeking medical assistance.

Fiscal Impact. No impact to the General Fund is expected. Since the Board of Pharmacy operates using fees for professional licensure and regulation, the Board will need to evaluate the overall fee schedule and budget to ensure that revenues align with expenses, and will need to adjust both of those categories as necessary. Total estimated revenues and expenditures are outlined in the following table.

Estimated Impact of HF 2377

	FY 2019	FY 2020	FY 2021
Division I			
PMP Reporting for First Responders	$ -75,000	$ 0	$ 0
PMP Surcharge	189,000	189,000	189,000
Subtotal Division I	$ 114,000	$ 189,000	$ 189,000
Division III			
Prescriber Activity Report (AWARxE)	$ -10,000	$ 0	$ 0
NarxCare	-186,000	-186,000	-186,000
Subtotal Division III	$ -196,000	$ -186,000	$ -186,000
Division IV			
Proactive Notification (0.5 FTE position)	$ -67,000	$ -64,000	$ -64,000
Grand Total	**$ -149,000**	**$ -61,000**	**$ -61,000**

Correctional Impact. The Act is estimated to result in minimal correctional impact. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, Cost Estimates Used for Correctional Impact Statements, dated January 8, 2018, for information related to the correctional system.

Minority Impact. The minority impact of the Act is unknown. Refer to the LSA memo addressed to the General Assembly, *Minority Impact Statement*, dated January 29, 2018, for information related to minorities in the criminal justice system.

Enactment Date. The Act was approved by the General Assembly on May 2, 2018, and was signed by the Governor on May 14, 2018.

LSA Staff Contact: Kent Ohms (515.971.7053) kenneth.ohms@legis.iowa.gov

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