

**75th OREGON LEGISLATIVE ASSEMBLY – 2009 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 355-B

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Thompson
Carrier – Senate: Sen. Bates**

Action: Do Pass the A-Engrossed Measure as Amended and Be Printed B-Engrossed

Vote: 16 – 5 – 1

House – Yeas: Buckley, D. Edwards, Garrard, Gilman, Jenson, Kotek, Nathanson, Richardson, Shields

– Nays: C. Edwards, Galizio, G. Smith

– Exc:

Senate – Yeas: Bates, Carter, Girod, Monroe, Nelson, Verger, Whitsett

– Nays: Johnson, Walker

– Exc: Winters

Prepared By: Blake Johnson, Department of Administrative Services

Reviewed By: Robin LaMonte, Legislative Fiscal Office

Meeting Date: June 22, 2009

Agency

Department of Human Services

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Biennium

2009-11

Budget Summary*

	2007-09 Legislatively Approved Budget (1)	2009-11 Essential Budget Level	2009-11 Committee Recommendation	Committee Change from 2007-09 Leg. Approved	
				\$\$ Change	% Change
Other Funds	\$ 0	\$ 0	\$ 250,000	\$ 250,000	100%
Federal Funds	\$ 0	\$ 0	\$ 10,000	\$ 10,000	100%
Total	\$ 0	\$ 0	\$ 260,000	\$ 260,000	100%

Position Summary

Authorized Positions	0	0	0	0
Full-time Equivalent (FTE) positions	0.00	0.00	0.00	0.00

(1) Includes adjustments through the December 2008 meeting of the Emergency Board

* Excludes Capital Construction expenditures

Summary of Revenue Changes

Senate Bill 355 establishes a \$25 per year fee on each person who is licensed by a state board and is authorized to prescribe or dispense controlled substances. The bill applies to the following state boards:

- The Oregon Medical Board
- The Oregon Board of Dentistry
- The Board of Naturopathic Examiners
- The Oregon State Board of Nursing
- The Oregon Board of Optometry
- The State Board of Pharmacy

Each board shall collect the fee at the same time it collects other licensing fees and is authorized to retain 10 percent to cover administrative expenses. The remaining 90 percent will be deposited into the Electronic Prescription Monitoring Fund which is created by this measure and is continuously appropriated to the Department of Human Services (DHS) for the purpose of maintaining a prescription monitoring program. DHS estimates that approximately \$1,336,372 in total fees will be collected in the 2009-11 biennium, with the boards retaining \$133,637 and the remaining \$1,202,735 deposited into the Electronic Prescription Monitoring Fund.

Summary of Human Services Subcommittee Action

Senate Bill 355 establishes the Prescription Monitoring Program Advisory Commission within DHS and directs the department to establish and maintain a prescription monitoring program for monitoring and reporting prescription drugs dispensed by pharmacies in Oregon. The measure

directs the department to report to the February 2010 Legislative Assembly with a report on the implementation of the prescription monitoring program.

The Subcommittee approved \$250,000 Other Funds and \$10,000 Federal Funds expenditure limitation to DHS, Health Services Division, for the first six months of planning and implementation of the prescription monitoring program with the expectation that the department will receive legislative approval to increase the remainder of the expenditure limitation required to complete the project and purchase a Prescription Drug Monitoring Information Technology system in February 2010. Also, DHS anticipates using the balance remaining of a Federal Funds grant (\$316,289) originally issued to the State Board of Pharmacy to implement the program, and may seek additional grant funds for the program.

The Subcommittee also approved three budget notes relating to information technology, business and implementation planning, and program protocols.

Budget Note

The Department of Human Services (DHS) is directed to develop an information technology (IT) business plan which includes the foundational requirements outlined in the table below. By October 1, 2009 DHS shall submit a report on the completed plan to the Legislative Fiscal Office (LFO) for review and approval.

Foundational Requirements	Products
1. Requirements Analysis	High-level requirements Use cases Detailed-level requirements
2. High-Level Business Model	Prescription Tracking Business/Process Model
3. Legal/Security Analyses	Legal Issue Analysis & Cost Impacts Security Issue Analysis & Cost Impacts
4. IT “Best Practices” & “Lessons Learned” Analysis	Prescription Tracking Best Practices
5. COTS Package Survey Analysis	Survey of Available COTS Software
6. Formal Business Case Analysis	Formal Business Case TCO/ROI Analysis Operational Cost Analysis High-level Risks Analysis
7. Proposed Solution Workplan	Work Breakdown Structure Chart Project Schedule Project Resource/Staffing Plan Project Financial Plan

DHS is directed not to issue any request for proposal or to purchase any products until LFO has certified that all foundational requirements are met. Contingent on interim committee plans, LFO may seek the approval of an appropriate legislative committee before recommending that DHS proceed with a request for proposal or product purchase. However, in order to ensure that the project can proceed in a timely manner, LFO will obtain the approval of the Speaker of the House of Representatives and the Senate President to authorize DHS to proceed if no appropriate interim committee is available.

Once the IT business plan has been accepted and approved by LFO and the Legislature, DHS may proceed with hiring or contracting with IT personnel to begin the planning stages to issue an RFP for the necessary contract to purchase a system. However, DHS is not authorized to purchase a system until it receives Legislative authorization, including the additional expenditure limitation necessary to complete the project.

Budget Note

Prior to implementing the Prescription Drug Monitoring Program, the Department of Human Services (DHS) is directed to develop a business case and implementation plan for the Program. The business case should identify Program requirements, goals and outcomes, including the process for monitoring and reporting on the goals and outcomes. The implementation plan should include a detailed timeline for implementation, including the phase in of staff and acquisition of COTS packages and other equipment and software. DHS will submit the business and implementation plans to LFO by October 1, 2009 for approval and shall provide quarterly reports on implementation progress to the appropriate interim committees, including the Joint Committee on Ways and Means and any interim meetings of the Emergency Board.

Budget Note

The Department of Human Services (DHS), in consultation with the Prescription Monitoring Program Advisory Commission, will develop proposed protocols for the access to, and use of, the data in the prescription drug monitoring database. DHS is directed to provide particular focus on issues related to the privacy, security and accuracy of personal information, and on explicitly identifying how prescription monitoring data will be used.

- DHS will develop the necessary administrative rules based on these protocols, and will provide the proposed administrative rules to the appropriate interim committee or the Speaker of the House of Representatives and the Senate President for review and approval prior to adoption.
- DHS, in consultation with the prescription Monitoring Program Advisory Commission, will identify any legislation necessary to ensure that the privacy, security and accuracy of personal protocols are met. If further implementing language is needed, DHS will present proposed legislation to the legislature by February 15, 2010.

DHS will also provide quarterly reports on progress on the protocols and proposed administrative rules to the appropriate interim committees, including the Joint Committee on Ways and Means and any interim meetings of the Emergency Board.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 355-B

Department of Human Services
 Blake Johnson -- (503) 378-3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2007-09 Legislatively Approved Budget at Dec 2008 *	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0.00
2009-11 ORBITS printed Essential Budget Level (EBL)*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0.00
<u>Prescription Drug Monitoring Program</u>									
Personal Services	0	0	43,514	0	0	0	43,514	0	0.00
Services and Supplies	0	0	206,486	0	10,000	0	216,486	0	0.00
TOTAL ADJUSTMENTS	\$0	\$0	\$250,000	\$0	\$10,000	\$0	\$260,000	0	0.00
SUBCOMMITTEE RECOMMENDATION *	\$0	\$0	\$250,000	\$0	\$10,000	\$0	\$260,000	0	0.00
% Change from 2007-09 Leg Approved Budget	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
% Change from 2009-11 Essential Budget Level	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

* Excludes Capital Construction Expenditures