

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 1187 (Delegate Owings)

Environmental Matters

State Board of Pharmacy - Collaborative Drug Therapy Management

This bill authorizes a licensed pharmacist to enter into a “collaborative practice agreement” with a licensed physician, licensed dentist, or licensed podiatrist to engage in “drug therapy management”. The collaborative practice agreement must be approved by the State Board of Pharmacy. The bill also specifies the requirements necessary for approval and renewal of the collaborative practice agreement by the board and the conditions under which a pharmacist may provide drug therapy management as specified in the collaborative practice agreement. In addition, the bill expands the definition of “practice pharmacy” to include: (1) providing drug therapy management in accordance with a collaborative practice agreement; and (2) obtaining and reviewing data pertinent to a patient’s drug or device therapy and evaluating a patient’s response to that therapy.

Fiscal Summary

State Effect: Special fund expenditures could increase by \$23,800 in FY 1999. Future year expenditures reflect annualization and inflation. No effect on revenues.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
SF Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditures	23,800	25,100	26,000	26,900	27,800
Net Effect	(\$23,800)	(\$25,100)	(\$26,000)	(\$26,900)	(\$27,800)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: None.

Small Business Effect: Minimal. This bill would allow small business independent pharmacies to expand their services. This may increase business activity for some small business pharmacies or make them more competitive with large chains.

Fiscal Analysis

State Revenues: The board does not intend to charge a fee for the collaborative practice agreements. The board has sufficient surplus funds to cover the operational cost of processing and renewing the agreements.

State Expenditures: Special fund expenditures could increase by an estimated \$23,754 in fiscal 1999, which accounts for the bill's October 1, 1998 effective date. This estimate reflects the cost of hiring one half-time Pharmacist to review and process the collaborative practice agreements. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. The estimate assumes that there would be 100 initial agreements for hospitals and practitioners in fiscal 1999. An agreement could involve more than one pharmacist.

Salaries and Fringe Benefits	\$17,104
Operating Expenses	<u>6,650</u>
Total FY 1999 State Expenditures	\$23,754

Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; (2) annualization; and (3) 1% annual increases in ongoing operating expenses.

Information Source(s): Department of Health and Mental Hygiene (Board of Pharmacy), Department of Legislative Services

Fiscal Note History: First Reader - February 20, 1998

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