## Department of Planning and Budget 2025 General Assembly Session State Fiscal Impact Statement

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**Bill Number:** HB2144 **Patron:** Milde

**Bill Title:** Drug Control Act; manufacturers, wholesale distributors, and medical equipment suppliers;

annual report.

**Bill Summary:** Requires a manufacturer, wholesale distributor, or medical equipment supplier that is licensed, permitted, or registered with the Board of Pharmacy to submit an annual report of the amount such manufacturer, wholesale distributor, or medical equipment supplier spent during the preceding year on direct-to-consumer advertising of each prescription drug or device. The Board of Pharmacy is also required to compile all submitted information and publish a report of such information by May 1 of each year.

Budget Amendment Necessary: Yes Items Impacted: Item 285

**Explanation:** The Department of Health Professions will need additional funding to comply with the

requirements of this legislation, attributable to Item 285 (Regulation of Professions and

Occupations). See table and fiscal analysis below.

**Fiscal Summary:** The proposed legislation will require expenditures on the part of the Department of Health Professions for which they are not currently appropriated. See table and fiscal analysis below.

## **Nongeneral Fund Expenditure Impact:**

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
DHP (223)	-	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200
TOTAL	-	\$7.200	\$7.200	\$7,200	\$7,200	\$7,200

**Fiscal Analysis:** This bill requires that the Board of Pharmacy ("the Board") annually receive and process a new report type that will be submitted by manufacturers, wholesale distributors, or medical equipment suppliers who are licensed, permitted, or registered by the Board. The report shall include the amount that each manufacturer, wholesale distributor, or medical equipment supplier spent on direct-to-consumer advertising of prescription drugs and devices in the preceding calendar year, as applicable. The Board is required to compile the submitted information into a new report by May 1 of each year.

The Board of Pharmacy reports that processing a new report type at the volume required by the legislation (annually, for all manufacturers, wholesale distributors, or medical equipment suppliers located in the Commonwealth) and publishing their own report on this information cannot be absorbed as part of current Board activity and will require additional resources. The Board suggests that hiring a temporary worker will be the most effective way to meet the requirements of this legislation, estimating hourly compensation at \$20/hour and the length of employment to be 8 hours/day for up to 45 days. This will result in an estimated annual cost to the Board of \$7,200. Given that the Board is wholly sustained by practitioner fee revenue, the

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increase in nongeneral fund appropriation required to sustain this position may need to be generated through an additional fee increase for the Board.

Additionally, there may be costs to the Department of Health Professions to develop an online reporting system that can receive electronic submissions from manufacturers, wholesale distributors, and medical equipment suppliers. The Department may be able to model this system after other online submission systems within the agency; however, the specific efforts required and any associated costs are indeterminate at this time.

Other: n/a