149th GENERAL ASSEMBLY
FEE IMPACT

BILL:	**SENATE SUBSTITUTE NO. 1 TO SENATE BILL NO. 176**
SPONSOR:	**Senator Hansen**
DESCRIPTION:	**AN ACT TO AMEND TITLE 16 OF THE DELAWARE CODE CREATING A PRESCRIPTION OPIOID IMPACT FUND.**

In accordance with 29 Del. C. §913, the following information is provided relating to licenses and fees.

Description of the Legislation:
This Act creates a Prescription Opioid Impact Fund (the Fund) funded by a Prescription Opioid Impact Fee (the Fee) paid by pharmaceutical manufacturers. The Fee will be assessed on manufacturers who have dispensed more than 100,000 morphine milligram equivalents (MME) in a quarter.

The Fee will be assessed quarterly in the amount of $0.01 per MME on the manufacturer's opioid drugs dispensed in the State. For generic substitution prescription opioids, the fee will be assessed at $0.0025 per MME. An estimated 85% of dispensed prescription opioids are generic substitutions.

The quarterly amount of MMEs dispensed is determined by data entered into the Prescription Monitoring Program (PMP), which includes all prescription opioids dispensed to individuals by pharmacists in the State. The PMP data does not include prescription opioids administered by hospitals to treat addiction. The PMP is currently administered by the Department of State, Division of Professional Regulation.

Affected Entities:
The Department of State, Division of Professional Regulation, pharmaceutical manufacturers, the Addiction Action Committee, the Attorney General, and the Department of Health and Social Services.

Fiscal Impact:
According to data collected by the PMP, if the Fee had been applied in calendar years 2015, 2016, and 2017, approximately $4 million, $3.8 million, and $3.3 million would have been collected each year, respectively. Because this data shows a downward trend, which will continue if prescription opioid use decreases, a 5% annual reduction is included in the fee collection projection to account for this trend, as well as any lags or impediments that may occur in collection.

The projected fee collection amounts are:

Fiscal Year 2019: $3,026,976

Fiscal Year 2020: $2,875,627

Fiscal Year 2021: $2,731,846

Quarterly invoices will be sent to pharmaceutical manufacturers after the close of the first full quarter after the effective date of this Act. The Department of State's initial costs associated with administration (billing services) include $2,400 for mailing and supplies and $8,000 for contractual services (staff) annually. Administration costs will be paid by a 15% administrative allowance on the fund.

Intended Use of Revenue:
Money in the Fund may be used for opioid addiction prevention, treatment, emergency assistance, including purchasing Naloxone, and research. The Addiction Action Committee, in consultation with the Behavioral Health Consortium, shall appropriate the money in the Fund. Additionally, up to 15% of the annual amounts deposited into the Fund may be used for administration, including expenses incurred by the PMP, with allowance given for additional funds, if necessary, for the Attorney General to address violations of this Act.

Prepared by Ruth Ann Jones
Office of the Controller General