

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: S.B. 59 Mobile Pharmacies

SHORT TITLE: Mobile Pharmacies

SPONSOR(S): Senator Fox

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>
REVENUES					
General Fund		* No General Fund Impact *			
Board of Pharmacy	(\$525)	(\$525)	(\$525)	(\$525)	(\$525)
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: North Carolina Board of Pharmacy.					
EFFECTIVE DATE: When it becomes law.					

BILL SUMMARY: The bill defines a mobile pharmacy and declares that each mobile pharmacy unit must be considered a single pharmacy. It requires a mobile pharmacy to register annually with the Board of Pharmacy, providing a list of all the mobile pharmacy stops. The bill also prohibits the Board of Pharmacy from charging a registration fee for each mobile pharmacy stop. The prohibition applies only to mobile pharmacies operated by non-profit corporations that dispense prescription drugs at no charge or at a reduced charge to persons who met certain income requirements but are not covered by another insurance system.

ASSUMPTIONS AND METHODOLOGY: The Board of Pharmacy currently charges pharmacies a \$350 initial registration fee and a \$175 renewal fee. The Board also collects fees from pharmacists, durable medical equipment (DME), and medical device providers. They also collect money from exam fees, law books, pharmacy lists and labels, pharmacist lists and labels, investments, property use, and reciprocity. In total, between September 1996 and September 1997 the Board of Pharmacy collected \$1,231,169. During the same period they reported expenditures of \$1,082,010. This created a net excess of revenue over expenditures of \$149,159. Adding this to the previous fund balance of \$347,142 created a new fund balance of \$496,301 on September 30, 1997. No more recent data is available at this time.

At present the Board is charging mobile pharmacies a \$175 renewal fee for each stop they make to dispense medicine. Fiscal Research believes there is one mobile pharmacy organization that will be impacted by the bill. This non-profit organization provides medicines to lower income individuals that are not covered by Medicare, Medicaid, private pay insurance, or a similar unit of governments (state employees health plan, for example). They receive some of the medication as donations from the manufacturers. The balance is purchased through cash donations. This mobile pharmacy currently stops at three or four locations. The Board of Pharmacy is currently charging them for each stop, requiring total renewal fees of \$700 (assuming four stops). Under the bill the board could only charge an annual fee of \$175. Thus the Board of Pharmacy would see a revenue loss of \$525.

FISCAL RESEARCH DIVISION 733-4910

PREPARED BY: Linda Struyk Millsaps

APPROVED BY: Tom Covington

DATE: Monday, May 10, 1999



Signed Copy Located in the NCGA Principal Clerk's Offices