



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1694

PRINTERS NO. 2516

PRIME SPONSOR: Baker

COST / (SAVINGS)

FUND	FY 2013/14	FY 2014/15
General Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY: House Bill 1694, Printer's Number 2516, amends Title 44 (Law and Justice) to establish the Pharmaceutical Accountability Monitoring System (PAMS), a database to be administered by the Department of Drug and Alcohol Programs, to monitor the prescription and disbursement of Schedule II, III, IV and most Schedule V drugs. Schedule V drugs identified in 21 CFR § 1308.15(e) are not included. The Attorney General's existing Schedule II database is to be eliminated after PAMS is fully operational.

ANALYSIS: This legislation adds Chapter 27, the Pharmaceutical Accountability Monitoring System Act to Title 44 for the purpose of reducing the abuse of controlled substances. The PAMS database will maintain records of the dispensing of controlled substances in order to identify instances of unusual or unacceptable practices in prescribing, disbursement or procurement. This chapter expires in seven years.

The legislation creates an advisory committee to provide input and advice to the department in the establishment and maintenance of PAMS. All dispensers of Schedule II, III, IV or V drugs will be required to input data for each disbursement into PAMS within 72 hours. Dispensing veterinarians have six months to submit data to PAMS. Practitioners must disclose the existence of the database to persons receiving a prescription for a controlled substance. Practitioners may query PAMS for information relating to a current patient or for prescriptions written using their Drug Enforcement Agency number. Pharmacists may query the database for information relating to a current patient to whom the pharmacist is dispensing a controlled substance.

Individuals identified as potentially addicted will be referred to alcohol and other drug addiction treatment programs. The department shall refer practitioners it has reason to believe may be impaired to the appropriate professional association and notify the appropriate licensing or certification agency.

Information in the database is confidential and accessible only by the following groups and individuals upon written request to the department:

- Authorized personnel of the department specifically assigned to conduct internal reviews in regard to controlled substance laws.

- Authorized personnel of the department specifically assigned to analyze data.
- Researchers for the purpose of bona fide research or education. In this instance, identifying information will be deleted before it is obtained by such personnel.
- A designated representative from the Commonwealth or out-of-state agency or board responsible for licensing or certifying practitioners who is involved in a bona fide investigation of a prescriber, dispensing veterinarian or dispenser.
- A coroner investigating a cause of death.
- A designated prescription monitoring official of a state that has an interoperability agreement with the Commonwealth.
- An individual whose information is entered into the database, given the ability to positively prove identity.
- Authorized personnel in the Department of Public Welfare for Medical Assistance, the Insurance Department for CHIP and the Department of Aging for the PACE program.

The Office of Attorney General (OAG) shall submit requests for PAMS data to the department on behalf of all law enforcement agencies, including Federal, State and local law enforcement agencies, and the Attorney General or similar official from another state. A valid search warrant is required for the department to provide information from PAMS to the OAG in relation to Schedule II controlled substances. If the OAG determines information from PAMS is relevant to an active investigation of Schedule III, IV or V controlled substances, the data will be provided only as it relates to the persons who are subject to the active investigation. The department may provide access to PAMS information to a grand jury empaneled to investigate a criminal violation of a law governing controlled substances. Law enforcement may only use PAMS data to establish probable cause in order to obtain a search or arrest warrant.

The release of unauthorized information from PAMS is a third degree felony, punishable by up to 90 days imprisonment and/or a fine of not less than \$5,000. Any person whose private personal or medical information from PAMS is knowingly, intentionally or negligently released may bring private right of action to recover actual damages or \$1,000, whichever is greater. Professional Licensing Board disciplinary action may be taken against dispensers who knowingly fail to submit the required information.

Unless a law enforcement agency, professional licensing or certification agency, or board for prescribers or dispensers has submitted a written request, the identifying information in PAMS shall be destroyed six years after the date of collection.

The OAG's database will cease operation 90 days after notice in the Pennsylvania Bulletin that PAMS is operational. The remainder of this act takes effect in 60 days.

FISCAL IMPACT: This legislation prohibits a fee or tax dedicated to establishing, operating or maintaining the PAMS system, therefore all costs will be paid by the General Fund. There is also the potential to utilize federal Justice Assistance Grants funding to offset General Fund costs.

Based on information from the Department of Health, the Department of Drug and Alcohol Programs and reviewing cost information from other states, the estimated first-year cost to the Department of Drug and Alcohol Programs could range from \$1,100,000 to \$2,100,000 depending on the amount of customization required for the implementation of the database system. Ongoing annual costs for staffing, system operation, maintenance and training are estimated to range from \$600,000 to \$1,000,000. These costs will be offset by a reduction in the OAG's budget of approximately \$120,000 per year when PAMS is operational and the OAG's existing database is discontinued.

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House Appropriations Committee (R)

DATE: October 21, 2013

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.