



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** [Sub. H.B. 341 of the 130th G.A.](#)

**Date:** March 18, 2014

**Status:** As Passed by the House

**Sponsor:** Rep. Smith

**Local Impact Statement Procedure Required:** No

**Contents:** Required use of the Ohio Automated Rx Reporting System by certain health care professionals

### State Fiscal Highlights

- The State Board of Pharmacy will experience a minimal increase in annual operating costs as the number of users of the Ohio Automated Rx Reporting System (OARRS) and the volume of requests for information increase.
- Any increase in the annual operating expenses of certain professional licensing boards (the State Dental Board, the Board of Nursing, the State Board of Optometry, the State Board of Pharmacy, and the State Medical Board) will depend on the frequency with which a board has to implement provisions included in the bill (e.g., verifying licensees access to OARRS and subsequent disciplinary hearings if initiated).

### Local Fiscal Highlights

- For those health care professionals employed by a local governmental entity, such as a hospital or jail, there could be some additional expense incurred in order to comply with the bill's requirements regarding the mandated use of OARRS. However, these costs would likely manifest themselves in terms of additional time spent per patient or client. It is unlikely that the additional time added to the processing of claims or the providing of services would necessitate the hiring of additional staff.

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## Detailed Fiscal Analysis

Beginning April 1, 2015, the bill requires a health care professional who is prescribing or personally furnishing a drug that is either an opioid analgesic or a benzodiazepine to request certain information related to the patient from the Ohio Automated Rx Reporting System (OARRS) administered by the State Board of Pharmacy. Various exceptions to this requirement are included in the bill (e.g., surgical pain treatment). Any person found to be in violation of the bill may be subject to disciplinary action by his or her respective professional licensing board.<sup>1</sup>

### Board of Pharmacy

Once the bill is enacted, the Board of Pharmacy anticipates that the number of users of OARRS and the volume of requests for information will increase. The Board believes that OARRS can accommodate this additional user activity with a minimal increase in related annual operating expenses. Routine operating and maintenance expenses have been primarily funded through moneys appropriated from Fund 4K90, the Occupational Licensing and Regulatory Fund.<sup>2</sup> Money appropriated from Fund 4K90 consists primarily of license fees and other assessments collected by certain professional and occupational boards.

OARRS was established to monitor the misuse and diversion of controlled substances and certain dangerous drugs. The program began full operation in October 2006. Currently, the database includes more than 50 million prescription records. This number has steadily increased over the years.

The bill requires that each prescriber who prescribes or personally furnishes opioid analgesics or benzodiazepines as part of their regular practice obtain access to OARRS not later than January 1, 2015, unless the Board of Pharmacy has restricted the professional from obtaining information from OARRS. Failure to obtain access to OARRS would subject the professional to suspension of his or her license/certificate.

### Licensing boards

Under the bill, any licensed health care professional who fails to comply with the bill's request and review requirements may be subject to disciplinary action by the licensing board that regulates their conduct. The following boards are authorized to discipline health care professionals: the State Dental Board, the Board of Nursing, the

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<sup>1</sup> The bill applies to the following health care professionals: dentists, advanced practice registered nurses holding certificates to prescribe, optometrists holding therapeutic pharmaceutical agents certificates, physician assistants holding certificates to prescribe, and physicians authorized to practice medicine, osteopathic medicine, or podiatry.

<sup>2</sup> The system is primarily funded through federal grants. However, these grants are typically restricted to expenses related to planning, implementation, and improvements.

State Board of Optometry, and the State Medical Board. Any additional annual operating costs would be dependent on the frequency with which a board has to investigate and sanction its licensees. These boards may also experience negligible one-time administrative costs in order to update their current administrative rules.

### **Publicly employed health care professionals**

For those health care professionals employed by a state agency (e.g., the Department of Rehabilitation and Correction, the Department of Mental Health and Addiction Services, or a state college or university) or a local governmental entity (e.g., a hospital or jail), there could be some additional expense incurred in order to comply with the bill's requirements. However, these costs would likely manifest themselves in terms of additional time spent per patient or client. It is unlikely that the additional time added to the processing of claims or the providing of services would necessitate the hiring of additional staff.

### **Bureau of Workers' Compensation**

The bill requires that the Board of Pharmacy provide to the medical director of a managed care organization (MCO) an OARRS report relating to a workers' compensation claimant assigned to the MCO. According to representatives of the Board of Pharmacy, this provision will have no notable fiscal effect on its annual operating expenses.