

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 23, 2017

Agency Submitting: Department of Health and Human Services, Public and Behavioral Health

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
License Fees (Revenue)				
Public Facing System (Expense)		\$117,200	\$21,600	\$43,200
Licensure System (Expense)		\$210,000	\$50,000	\$100,000
Cost of Regulations (Expense)		\$3,260		
Personnel and Operating (Expense)		\$28,188	\$53,227	\$111,681
Total	0	\$358,648	\$124,827	\$254,881

Explanation

(Use Additional Sheets of Attachments, if required)

Section 12 of BDR 40-809 requires the Division of Public and Behavioral Health to place certain pharmacy related information on the internet. Section 19 requires the Division to license and regulate pharmaceutical sales representatives, which will also require an enhancement to the Division's current licensure system. Additionally, the requirements to license and regulate the pharmaceutical sales representatives in the state will require one Administrative Assistant position beginning on January 1, 2018. Section 19(2)(b) prohibits the Division from charging a licensee a fee to apply for, reinstate or renew a required license.

Please see Exhibit 1 for additional information regarding the information technology component of this fiscal note.

Name Mark Winebarger

Title ASO IV

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Friday, March 17, 2017

The agency's response appears reasonable.

Name Nikki Hovden

Title Exec. Branch Budget Officer

BDR 40-809 Pharmaceutical IT Components

Section 12 of BDR 40-809 requires the Division of Public and Behavioral Health to place certain pharmacy related information on the internet. Section 19 requires the Division to license and regulate pharmaceutical sales representatives, which will also require an enhancement to the Division's current licensure system.

The pharmacy information which will be placed on the internet consists of a public facing system will allows the lookup of third party providers of prescription drugs or that provide coverage of these drugs. For this system, a new database would be created housing the pharmaceutical information. A web service interface would be built to provide the gateway between the database and the state-owned Ektron public facing web site which would provide the data rendering for public presentation.

Using the states existing Internet facing website (Ektron), this system builds out the presentation environment using an entirely new data holding platform:

- MSA Business Process Analyst (40 hrs/week/12 weeks @ \$55/hour)
 - o Provides requirements gathering, testing and documentation: \$26,400
- MSA Programmer Analyst (40 hrs/week/12 weeks @ \$85/hour)
 - o Build electronic forms, database and interface: \$40,800
- MSA Programmer Analyst (10 hrs/week/40 weeks @ \$85/hour)
 - o Provide enhancements and application maintenance support: \$34,000
- MS SQL database/server: \$500/month x 12 months \$6,000
- Software AG Adabus
 - o Web service interface between Ektron and Database: \$10,000

Total initial startup for provider information: \$117,200

- Annual recurring fees:
- MSA Programmer Analyst (40 hrs/week/4 weeks @ \$85/hour)
 - o Provide enhancements and application maintenance support: \$13,600
- MS SQL database/server: \$500/month x 12 months \$6,000
- Software AG Adabus licensing: \$2,000

Total annual recurring fees: \$21,600

The Division of Public and Behavioral Health currently has a system that provides and manages all of our licenses, certifications and complaints. This centralized system is known as CLICS. CLICS was implemented in 2015 to bring all regulatory licensing agencies in to a single, managed system that provides a consistent licensure method. Adding the pharmaceutical licensing component would require the buildout of an additional module within the system by the hosting vendor.

Based on historic costs, the estimated cost breakdown to add this module to CLICS is:

- Initial Cost:	
o Process analysis and planning:	\$55,000
o Licensure module:	\$95,000
o Complaints:	\$30,000
o Ad-Hoc reporting:	\$30,000
Total initial startup for licensing:	\$210,000
- Annual recurring fees:	
o Maintenance fee:	\$35,000
o Hosting fee:	\$15,000
Total annual recurring fees:	\$50,000

Regulation Costs for Fiscal Notes
Developed by the Division of Public and Behavioral Health
Department of Health and Human Services
Session 2017

Regulation costs for new regulations

	Average costs	Multiplied by	Number of newspapers	Multiplied by	Number of times published	Costs
Publishing						
Cost of Publishing Notice of Workshops and Notice of Hearing (per NRS 233B.061) per paper (1 North/1 South) x 2 for workshop and for hearing	\$240	x	2	x	2	\$960
	Average costs	Multiplied by	Ave Number of parties mailed to	Multiplied by	Number of times mailed	
Mailing						
Cost of mailing to all affected parties, depending on the regulations	\$1.00	x	400	x	2	\$800
	Average costs		Number of locations		Number of staff	
Hearings and Workshops						
Cost of Staff to attend Board of Health Hearings		x		x		\$0
Cost of Staff to conduct Public Workshops		x		x		\$0
LCB Review and Processing						
Cost charged by LCB per regulation (per NRS.233B.0635)	\$1,500					\$1,500
Based on FY16 average charge per regulation review (30 hours @ \$50 per hour)						
Total						\$3,260

BDR 40-809

				FY18	FY19	FY20/21
DU	Catg	GL	Description			
E226	01	5100	SALARIES	16,904	34,376	72,932
E226	01	5200	WORKERS COMPENSATION	401	815	1,729
E226	01	5300	RETIREMENT	2,451	4,985	10,576
E226	01	5400	PERSONNEL ASSESSMENT	251	260	552
E226	01	5500	GROUP INSURANCE	4,458	8,891	18,863
E226	01	5700	PAYROLL ASSESSMENT	85	83	176
E226	01	5750	RETIRED EMPLOYEES GROUP INSURANCE	450	877	1,861
E226	01	5800	UNEMPLOYMENT COMPENSATION	25	49	104
E226	01	5840	MEDICARE	245	498	1,057
				25,270	50,834	107,849
E226	04	7020	OPERATING SUPPLIES	116	232	464
E226	04	7040	NON-STATE PRINTING SERVICES	32	64	128
E226	04	7044	PRINTING AND COPYING - C	30	59	118
E226	04	7045	STATE PRINTING CHARGES	13	26	52
E226	04	7050	EMPLOYEE BOND INSURANCE	2	2	4
E226	04	7054	AG TORT CLAIM ASSESSMENT	99	97	194
E226	04	7285	POSTAGE - STATE MAILROOM	117	234	468
E226	04	7290	PHONE, FAX, COMMUNICATION LINE	314	629	1,258
E226	04	7292	EITS 18-19 ELIM (OLD EITS VOICEMAIL)	21	43	86
E226	04	7295	EITS 18-19 ELIM (OLD EITS STATE PHONE	80	161	322
				824	1,547	3,094
E226	26	7533	EITS EMAIL SERVICE	87	175	350
E226	26	7554	EITS INFRASTRUCTURE ASSESSMENT	196	212	424
E226	26	7556	EITS SECURITY ASSESSMENT	94	129	258
E226	26	7771	COMPUTER SOFTWARE <\$5,000 - A	330	330	660
E226	26	8371	COMPUTER HARDWARE <\$5,000 - A	1,387	-	-
				2,094	846	1,692
				28,188	53,227	112,635

2017-2019 Biennium (FY18-19)
W03 BDR-40-809

Section A: Position Detail

Budget Account: 3216 HHS-DPBH - HEALTH CARE FACILITIES REG

Type	Description	PCN	Class	Gd Step	Add Gd	Anv Mo	St	End	Ret Cd	FTE Actual	FTE WP	FTE Y1	FTE Y2 MI	2017-2018		2018-2019			
														Salary	Benefits	Salary	Benefits		
E226 EFFICIENT AND RESPONSIVE STATE GOVERNMENT																			
010 100% FEES																			
4	ADMIN ASSISTANT 3	000028	02211	27-1	0	1	1-18	6-19	1	0.00	0.00	1.00	1.00	Y SUM	16,904	8,365	34,376	16,458	
TOTAL FOR LINE ITEM POSITION GROUP 010											0.00	0.00	1.00	1.00		16,904	8,365	34,376	16,458
TOTAL FOR DECISION UNIT E226											0.00	0.00	1.00	1.00		16,904	8,365	34,376	16,458
TOTAL FOR BUDGET ACCOUNT 3216											0.00	0.00	1.00	1.00		16,904	8,365	34,376	16,458

2017-2019 Biennium (FY18-19)
W03 BDR-40-809

Section C: Position Cost Details

Budget Account: 3216 HHS-DPBH - HEALTH CARE FACILITIES REG

Type	Description	PCN	Class	FTE Actual	FTE WP	FTE Y1 / Y2	Salary Y1 / Y2	Ret.	Grp. Ins	Worker's Comp	Pers Assmt	Umemp. Ins.	Pysl Assmt	Ret. Grp.	Medicare	Benefits Y1 / Y2
E226 EFFICIENT AND RESPONSIVE STATE GOVERNMENT																
010 100% FEES																
4	ADMIN ASSISTANT 3	000028	02211	0.00	0.00	1.00	16,904	2,451	4,458	401	251	25	85	450	245	8,365
						1.00	34,376	4,985	8,891	815	260	49	83	877	498	16,458
	TOTAL FOR LINE ITEM POSITION GROUP 010			0.00	0.00	2.00	51,280									24,823
	TOTAL FOR DECISION UNIT E226			0.00	0.00	2.00	51,280									24,823
	TOTAL FOR BUDGET ACCOUNT 3216			0.00	0.00	2.00	51,280									24,823

2017-2019 Biennium (FY18-19)
W03 BDR-40-809

Section D: Position Cost Summary

Budget Account: 3216 HHS-DPBH - HEALTH CARE FACILITIES REG

GL	Description	2017-2018	2018-2019
E226 EFFICIENT AND RESPONSIVE STATE GOVERNMENT			
5100	SALARIES	16,904	34,376
5200	WORKERS COMPENSATION	401	815
5300	RETIREMENT	2,451	4,985
5400	PERSONNEL ASSESSMENT	251	260
5500	GROUP INSURANCE	4,458	8,891
5700	PAYROLL ASSESSMENT	85	83
5750	RETIRED EMPLOYEES GROUP INSURANCE	450	877
5800	UNEMPLOYMENT COMPENSATION	25	49
5840	MEDICARE	245	498
7050	EMPLOYEE BOND INSURANCE	2	2
7054	AG TORT CLAIM ASSESSMENT	99	97
7554	EITS INFRASTRUCTURE ASSESSMENT	196	212
7556	EITS SECURITY ASSESSMENT	94	129
TOTAL FOR DECISION UNIT E226		25,661	51,274
TOTAL FOR BUDGET ACCOUNT 3216		25,661	51,274