



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: H. 3870 Introduced on February 2, 2023
Author: Wooten
Subject: Narcotic Treatment Programs
Requestor: House Medical, Military, Public, and Municipal Affairs
RFA Analyst(s): Griffith
Impact Date: March 6, 2023

Fiscal Impact Summary

This bill requires the Board of Pharmacy, which is under the administration of the Department of Labor, Licensing and Regulation (LLR), to issue a narcotic treatment program (NTP) permit to an NTP before methadone or other narcotic treatment medications may be administered, dispensed, or delivered to the NTP. Further, the bill expands the use of methadone and its salts to include use by NTPs for treatment, maintenance, or detoxification programs as approved by the Department of Health and Environmental Control (DHEC).

There is no expenditure impact to DHEC because the agency will manage additional responsibilities within existing staff and resources.

LLR indicates that if the number of treatment centers does not significantly increase, there will be no expenditure impact to the agency. However, due to the increased frequency of required inspections, if the number of centers does increase significantly, LLR will require 1.0 FTE for an additional inspector, a vehicle and equipment for the inspector, travel, and IT support due to the increased workload. Thus, Other Funds expenditures of LLR may increase by \$148,900 in FY 2023-24 and by \$145,700 in each fiscal year thereafter. If so, the agency will need to request an increase in Other Funds authorization.

This bill requires an NTP to obtain a permit from LLR. The bill does not specify whether a fee may be charged for the permit, but LLR does not expect the agency's Other Funds revenue to increase unless the number of centers increases significantly. Additionally, since the Board of Pharmacy falls under the Division of Professional and Occupational Licensing, should the number of treatment centers increase, General Fund revenue will increase by \$14,890 in FY 2023-24 and by \$14,570 in each fiscal year thereafter.

Explanation of Fiscal Impact

Introduced on February 2, 2023

State Expenditure

This bill requires the Board of Pharmacy, which is under the administration of the Department of Labor, Licensing and Regulation (LLR), to issue a narcotic treatment program (NTP) permit to an NTP before methadone or other narcotic treatment medications may be administered,

dispensed, or delivered to the NTP. The permit must be inspected annually by the Board of Pharmacy. Further, the bill expands the use of methadone and its salts to include use by NTPs for treatment, maintenance, or detoxification programs as approved by DHEC.

Department of Health and Environmental Control. The bill charges DHEC with additional responsibilities that the agency is able to accomplish by assigning duties among existing staff and by using existing equipment and supplies. Therefore, there is no expenditure impact to DHEC.

Department of Labor, Licensing and Regulation. LLR reports that there are currently about thirty treatment centers in the state and that inspections are performed biennially. This bill specifies that inspections must be performed annually. If the number of centers does not increase considerably, there will be no expenditure impact to the agency. However, if the number of centers increases by more than about thirty, LLR indicates the need for an additional inspector, a vehicle and equipment for the inspector, travel, and IT support due to the increased workload and the increase in the number of inspections. These costs amount to approximately \$3,200 in one-time expenses and approximately \$145,700 in recurring expenses. Therefore, Other Funds expenditures of LLR could increase by these amounts if the number of treatment centers increases due to the provisions of the bill. If so, the agency will need to request an increase in Other Funds authorization.

State Revenue

This bill requires an NTP to obtain a permit from LLR. The bill does not specify whether a fee may be charged for the permit, but LLR does not expect the agency's Other Funds revenue to increase unless the number of centers increases significantly.

The Board of Pharmacy falls under the Division of Professional and Occupational Licensing. Proviso 81.3 of the FY 2022-23 Appropriations Act requires LLR to remit 10 percent of the board's expenditures to the General Fund annually unless the board has an overall negative ending cash balance. Therefore, if the number of treatment centers increases, General Fund revenue will increase by \$14,890 in FY 2023-24 and by \$14,570 in each fiscal year thereafter.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director