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:	S. 0882 Introduced on January 9, 2024
Author:	M. Johnson
Subject:	Prescriptions for Minors
Requestor:	Senate Family and Veterans Services
RFA Analyst(s):	Wren
Impact Date:	January 10, 2024

Fiscal Impact Summary

This bill requires a health care provider to immediately notify the parent or legal guardian of a minor who has been prescribed medication. Additionally, a pharmacist may not fill a prescription for medication for a minor without the prior written consent of the minor's parent or legal guardian. A parent or legal guardian may not be prohibited from reviewing the minor's prescription records. Further, if a minor needs emergency care, the aforementioned notification regarding medication must be made as soon as practicable, and consent is not required for medications directly related to the emergency care rendered. The provisions of the bill do not apply to an emancipated minor or to a married minor.

The Department of Labor, Licensing and Regulation (LLR) does not anticipate that this bill will have an expenditure impact on the agency, Board of Medical Examiners, or Board of Pharmacy since the bill does not alter the responsibilities of the agency or boards.

The Department of Health and Environmental Control (DHEC) reports that adhering to the requirements of this bill would be a violation of federal Title X funding requirements since the bill requires parental consent to fill a prescription for medication for a minor. Currently, Title X funding prohibits obtaining consent and notification of prescriptions for minors for family planning services. DHEC estimates that this bill will result in the loss of $5,109,760 in Federal Funds, including approximately 74 FTEs, for violation of the Title X program. Additionally, DHEC indicates that the loss of Title X funding will also eliminate the agency's ability to access 340B program pricing on family planning pharmaceuticals. The 340B program provides reduced pharmaceutical pricing. On average, wholesale pricing is 172 percent higher than that of the 340B program. DHEC estimates that losing the 340B program pricing will result in a loss of $3,112,025 for family planning products. Therefore, DHEC estimates that this portion of the bill will increase General Fund expenses by $8,221,785 beginning in FY 2024-25 to continue providing current services. This amount includes funding for the 74 FTEs.

Additionally, DHEC estimates that the family planning services covered by the Title X program generate approximately $5,566,367 in Other Funds revenue from insurance reimbursements through Medicaid, private insurance, and patient self-pay. However, DHEC indicates that if the agency receives General Funds for the aforementioned loss of Federal Funds, they will still be able to generate the estimated $5,566,367 in Other Funds revenue from reimbursements.

DHEC further estimates that it will need approximately 75 FTEs (nurses) to implement the provisions of the bill. These new FTEs will be responsible for obtaining the required consent for prescriptions and dispensing medications in the agency's 67 clinics across the state. DHEC indicates that the clinics are currently short-staffed and cannot handle the additional consent requirements pursuant to the bill. The new positions must be nurses in order to handle the required consent and to dispense medications. This portion of the bill will increase General Fund expenses of the agency by $9,498,256 in FY 2024-25. Of this amount, $9,164,956 is recurring for salary and fringe for the new FTEs, and $186,100 is recurring for miscellaneous supplies and licenses for the new positions. Nonrecurring costs are expected to total $147,200 for furniture, medical supplies, and equipment. Expenses for this portion of the bill will decrease to $9,351,056 beginning in FY 2025-26.

In total, this bill will increase General Fund expenses of DHEC by $17,720,041 in FY 2024-25 to continue the current service levels by offsetting the loss of Federal Funds and meet the increased responsibilities in the bill. Expenses will decrease to $17,572,841 each year thereafter.

The Department of Alcohol and Other Drug Abuse Services (DAODAS) contracts with local alcohol and substance abuse providers. However, in certain DAODAS programs, a doctor will prescribe Buprenorphine or Naloxone to assist in saving the life of a teenager. Under current protocol, the guardian is notified of this prescription. Therefore, this bill will have no fiscal impact on DAODAS.

This bill will have no expenditure impact on the Department of Mental Health (DMH) as the agency can manage the requirements of the bill within existing appropriations.

The Medical University of South Carolina (MUSC), the Department of Health and Human Services (DHHS), and the Department of Social Services (DSS) are continuing to analyze the impact this bill will have on state expenditures. We will update this impact statement once the agencies provide a response.

Explanation of Fiscal Impact

Introduced on January 9, 2024
State Expenditure
This bill requires a health care provider to immediately notify the parent or legal guardian of a minor who has been prescribed medication. Additionally, a pharmacist may not fill a prescription for medication for a minor without the prior written consent of the minor's parent or legal guardian. Further, if a minor needs emergency care, the aforementioned notification regarding medication must be made as soon as practicable, and consent is not required for medications directly related to the emergency care rendered. The provisions of the bill do not apply to an emancipated minor or to a married minor.

The Department of Labor, Licensing and Regulation. LLR does not anticipate that this bill will have an expenditure impact on the agency, Board of Medical Examiners, or the Board of

Pharmacy since the bill does not alter the duties or responsibilities of the agency or boards. LLR further indicates that any expenses that may arise with implementation of the bill can be managed within existing resources.

The Department of Health and Environmental Control. DHEC indicates that this bill places the agency in violation of Title X funding since the bill requires parental consent to fill a prescription for medication for a minor. Currently, Title X funding prohibits obtaining consent and notification of prescriptions for minors for family planning services. DHEC estimates that this bill will result in the loss of $5,109,760 in Federal Funds, including approximately 74 FTEs, for violation of the Title X program. Additionally, DHEC indicates that the loss of Title X funding will also eliminate the agency's ability to access 340B program pricing on family planning pharmaceuticals. The 340B program provides reduced pharmaceutical pricing. On average, wholesale pricing is 172 percent higher than that of the 340B program. DHEC estimates that losing the 340B program pricing will result in a loss of $3,112,025 for family planning products. Therefore, DHEC estimates that this portion of the bill will increase General Fund expenses by $8,221,785 beginning in FY 2024-25 in order to continue to provide the current level of service. This amount includes funding for the 74 FTEs. Additionally, DHEC estimates that the family planning services covered by the Title X program generates approximately $5,566,367 in Other Funds revenue from insurance reimbursements through Medicaid, private insurance, and patient self-pay. However, DHEC indicates that if the agency receives General Funds for the aforementioned loss of Federal Funds, they will still be able to generate the estimated $5,566,367 in Other Funds revenue from reimbursements.

DHEC further estimates that it will need approximately 75 FTEs to implement the provisions of the bill. These new FTEs (nurses) will be responsible for obtaining the required consent for prescriptions and dispensing medications in the agency's 67 clinics across the state. DHEC indicates that the clinics are currently short-staffed and cannot handle the additional consent requirements pursuant to the bill. The new positions must be nurses to handle the required consent and to dispense medications. This portion of the bill will increase General Fund expenses of the agency by $9,498,256 in FY 2024-25. Of this amount, $9,164,956 is recurring for salary and fringe for the new FTEs, and $186,100 is recurring for miscellaneous supplies and licenses for the new positions. Nonrecurring costs are expected to total $147,200 for furniture, medical supplies, and equipment. Expenses for this portion of the bill will decrease to $9,351,056 beginning in FY 2025-26.

In total, this bill will increase General Fund expenses of DHEC by $17,720,041 in FY 2024-25. Expenses will decrease to $17,572,841 each year thereafter.

Department of Alcohol and Other Drug Abuse Services. DAODAS contracts with local alcohol and substance abuse providers. However, in certain programs, a doctor will prescribe Buprenorphine or Naloxone to assist in saving the life of a teenager. Under current protocol, the guardian is notified of this prescription. Therefore, this bill will have no fiscal impact on DAODAS.

Department of Mental Health. DMH provides children and adolescents experiencing mental illness with necessary inpatient and outpatient services. This bill will have no fiscal impact on DMH since the agency can manage the provisions of the bill within existing appropriations.

Medical University of South Carolina. The fiscal impact of the bill on MUSC is pending, contingent upon a response from the agency.

Department of Health and Human Services. The fiscal impact of the bill on DHHS is pending, contingent upon a response from the agency.

Department of Social Services. The fiscal impact of the bill on DSS is pending, contingent upon a response from the agency.

State Revenue
N/A

Local Expenditure
N/A

Local Revenue
N/A

Frank A. Rainwater, Executive Director

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