

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: SB1027

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Marsden

3. Committee: Education and Health

4. Title: Permitting of pharmaceutical processors to manufacture and provide Cannabidiol oil and THC-A oil.

5. Summary: Authorizes a pharmaceutical processor, after obtaining a permit from the Board of Pharmacy (the Board) and under the supervision of a licensed pharmacist, to manufacture and provide cannabidiol oil and THC-A oil to be used for the treatment of intractable epilepsy. The bill sets limits on the number of permits that the Board may issue and requires that the Board adopt regulations establishing health, safety, and security requirements for permitted processors. The bill provides that only a licensed practitioner of medicine or osteopathy who is a neurologist or who specializes in the treatment of epilepsy may issue a written certification to a patient for the use of cannabidiol oil or THC-A oil. The bill also requires that a practitioner who issues a written certification for cannabidiol oil or THC-A oil, the patient issued such certification, and, if the patient is a minor or incapacitated, the patient's parent or legal guardian register with the Board. The bill requires further that a pharmaceutical processor shall not provide cannabidiol oil or THC-A oil to a patient or a patient's parent or legal guardian without first verifying that the patient, the patient's parent or legal guardian if the patient is a minor or incapacitated, and the practitioner who issued the written certification have registered with the Board. Finally, the bill provides an affirmative defense for agents and employees of pharmaceutical processors in a prosecution for the manufacture, possession, or distribution of marijuana. This bill contains an emergency clause.

6. Budget Amendment Necessary: Yes.

7. Fiscal Impact Estimates:

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2017	287,302	3	Nongeneral
2018	287,302	3	Nongeneral
2019	287,302	3	Nongeneral
2020	287,302	3	Nongeneral
2021	287,302	3	Nongeneral
2022	287,302	3	Nongeneral
2023	287,302	3	Nongeneral

7a. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2017	287,302	Nongeneral
2018	287,302	Nongeneral
2019	287,302	Nongeneral
2020	287,302	Nongeneral
2021	287,302	Nongeneral
2022	287,302	Nongeneral
2023	287,302	Nongeneral

- 8. Fiscal Implications:** This bill would have a nongeneral fund impact on the Commonwealth. The agency would require three positions in order to meet the provisions of the bill. Fees for registering applications will be sufficient to cover the costs of the additional positions. Currently the Board of Pharmacy does not have sufficient staff to manage this new program as the board is working at capacity. A fulltime pharmacist supervisor would be needed to sign application permits and be in charge of the pharmaceutical processor. The expertise of a pharmacist is necessary to successfully oversee and inspect for compliance with this program.

While DHP currently sends out facility inspectors, the increased workload would require an additional pharmacy inspector for quarterly inspections of the pharmaceutical processor set out in the bill.

Based on the expected increase in licensing activities, an administrative licensing assistant is needed to review the increase in new applications since patients, parents, legal guardians, and the pharmaceutical processors must all apply for licensure, as applicable.

- 9. Specific Agency or Political Subdivisions Affected:** None.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** None.