

**Schedule 13**

**Funding Request for the FY 2022-23 Budget Cycle**

**Health Care Policy and Financing**

**Request Title**

**S-15 Move Rx Importation Funding from OIT to GPS**  
**BA-15 Move Rx Importation Funding from OIT to GPS**

Dept. Approval By:  X **Supplemental FY FY 2021-22**

OSPB Approval By: Meredith Moon X **Budget Amendment FY FY 2022-23**

Summary Information	Fund	FY 2021-22		FY 2022-23		FY 2023-24
		Initial Appropriation	Supplemental Request	Base Request	Budget Amendment	Continuation Request
	<b>Total</b>	<b>\$29,241,607</b>	<b>\$0</b>	<b>\$29,196,396</b>	<b>\$0</b>	<b>\$0</b>
	FTE	0.0	0.0	0.0	0.0	0.0
<b>Total of All Line Items Impacted by Change Request</b>	GF	\$10,194,968	\$0	\$10,296,076	\$0	\$0
	CF	\$4,168,530	\$0	\$4,037,591	\$0	\$0
	RF	\$150,000	\$0	\$157,655	\$0	\$0
	FF	\$14,728,109	\$0	\$14,705,074	\$0	\$0

Line Item Information	Fund	FY 2021-22		FY 2022-23		FY 2023-24
		Initial Appropriation	Supplemental Request	Base Request	Budget Amendment	Continuation Request

**01. Executive Director's Office - Payments to OIT**

<b>Total</b>	<b>\$8,470,924</b>	<b>(\$296,160)</b>	<b>\$8,821,529</b>	<b>(\$296,160)</b>	<b>(\$296,160)</b>
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$3,454,378	(\$296,160)	\$3,618,446	(\$296,160)	(\$296,160)
CF	\$910,893	\$0	\$882,067	\$0	\$0
RF	\$0	\$0	\$7,655	\$0	\$0
FF	\$4,105,653	\$0	\$4,313,361	\$0	\$0

**01. Executive Director's Office - General Professional Services and Special Projects**

<b>Total</b>	<b>\$20,770,683</b>	<b>\$296,160</b>	<b>\$20,374,867</b>	<b>\$296,160</b>	<b>\$296,160</b>
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$6,740,590	\$296,160	\$6,677,630	\$296,160	\$296,160
CF	\$3,257,637	\$0	\$3,155,524	\$0	\$0
RF	\$150,000	\$0	\$150,000	\$0	\$0
FF	\$10,622,456	\$0	\$10,391,713	\$0	\$0

**Auxiliary Data**

Requires Legislation? NO

Type of Request? Health Care Policy and Financing  
Prioritized Request

Interagency Approval or  
Related Schedule 13s: None



**Department Priority: S-15, BA-15  
Request Detail: Move Rx Importation Funding from OIT to GPS**

Summary of Funding Change for FY 2021-22 and FY 2022-23			
		Incremental Change	
	FY 2021-22 Appropriation	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$29,241,607	\$0	\$0
FTE	0.0	0.0	0.0
General Fund	\$10,194,968	\$0	\$0
Cash Funds	\$4,168,530	\$0	\$0
Reappropriated Funds	\$150,000	\$0	\$0
Federal Funds	\$14,728,109	\$0	\$0

**Summary of Request**

The Department of Health Care Policy & Financing (the department) requests a technical, budget neutral adjustment to shift money between line items to realign the Drug Importation Program appropriation with an approach the department has determined is the most efficient and effective way to implement the program. The department requests a decrease of \$296,160 General Fund to the Payments to OIT line and a corresponding increase of \$296,160 General Fund in the General Professional Services line in FY 2021-22 and ongoing for the Drug Importation program vendor costs.

### ***Current Program***

S.B. 19-005 created the Canadian Prescription Drug Importation program and S.B. 21-123 authorized the department to expand the program to allow drug importation from nations other than Canada, conditional upon enactment of federal legislation. The Federal Food Drug and Cosmetic Act (FDCA) Section 804 permits importation and reimportation of prescription drugs from Canada by a pharmacist or wholesaler, provided the drugs meet certain minimum standards, will pose no additional risk to the public's health and safety, and results in a significant reduction in costs to consumers.

### ***Problem or Opportunity***

During the fiscal note process, the department determined that the Office of Information Technology (OIT) would be used to analyze the information technology (IT) needs and manage the department's execution of those needs. As a result, the department's appropriation for this program is reappropriated to OIT.

During the Invitation-To-Negotiate (ITN) phase, the department determined that a vendor will be better suited to assist with the implementation of the program than OIT because of the vendor's pharmacy experience and current infrastructure. Because the appropriation is currently in the department's Payments to OIT lines and not in the General Professional Services contract line, the department will be unable to pay a vendor, while reverting the money appropriated to OIT. OIT has not expended any funding earmarked for the Drug Importation program.

### ***Proposed Solution***

The department requests a decrease of \$296,160 General Fund to the Payments to OIT line and a corresponding increase to the department's General Professional Services line in FY 2021-22 and ongoing to align the funding with how the department plans to implement the program. Moving this funding will allow the department to utilize one contractor for the Drug Importation Program and maintain consistency in program deliverables.

This is a technical request and is not reflected on the OSPB evidence continuum.

### ***Anticipated Outcomes***

This request will allow all Drug Importation Program deliverables to be located with one vendor. The request will reduce the need for OIT support and coordination of deliverables from multiple

vendors, streamlining contract management without disrupting the program implementation timeline.

***Assumptions and Calculations***

See Appendix A for detailed calculations.

***Supplemental, 1331 Supplemental or Budget Amendment Criteria***

This supplemental request is the result of new data. As the department developed an implementation plan for the Drug Importation Program it was determined that the most efficient and effective way to implement the program was using vendors, rather than OIT.

S-15, BA-15: FY 2021-22 Move Rx Importation Funding from OIT to GPS  
Appendix A: Assumptions and Calculations

Table 1.1 Summary by Line Item FY 2021-22									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	(1) Executive Director's Office; (A) General Administration; Payments to OIT	(\$296,160)	0.0	(\$296,160)	\$0	\$0	\$0	0.00%	Table 2.1 Row A
B	(1) Executive Director's Office; (A) General Administration; General Professional Services and Special Projects	\$296,160	0.0	\$296,160	\$0	\$0	\$0	0.00%	Table 2.1 Row B
<b>C</b>	<b>Total Request</b>	<b>\$0</b>	<b>0.0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>	<b>Row A + Row B</b>

Table 1.1 Summary by Line Item FY 2022-23 and Ongoing									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	(1) Executive Director's Office; (A) General Administration; Payments to OIT	(\$296,160)	0.0	(\$296,160)	\$0	\$0	\$0	0.00%	Table 2.2 Row A
B	(1) Executive Director's Office; (A) General Administration; General Professional Services and Special Projects	\$296,160	0.0	\$296,160	\$0	\$0	\$0	0.00%	Table 2.2 Row B
<b>C</b>	<b>Total Request</b>	<b>\$0</b>	<b>0.0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>	<b>Row A + Row B</b>

S-15, BA-15: FY 2021-22 Move Rx Importation Funding from OIT to GPS  
Appendix A: Assumptions and Calculations

Table 2.1 Summary by Initiative FY 2021-22									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
<b>Drug Importation Program</b>									
A	Reduction to OIT Funding	(\$296,160)	0.0	(\$296,160)	\$0	\$0	\$0	0.00%	Current Appropriation
B	Increase to HCPF Funding	\$296,160	0.0	\$296,160	\$0	\$0	\$0	0.00%	Requested Appropriation
C	<b>Total Request</b>	<b>\$0</b>	<b>0.0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>	<b>Row A + Row B</b>

Table 2.1 Summary by Initiative FY 2022-23 and Ongoing									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
<b>Drug Importation Program</b>									
A	Reduction to OIT Funding	(\$296,160)	0.0	(\$296,160)	\$0	\$0	\$0	0.00%	Current Appropriation
B	Increase to HCPF Funding	\$296,160	0.0	\$296,160	\$0	\$0	\$0	0.00%	Requested Appropriation
C	<b>Total Request</b>	<b>\$0</b>	<b>0.0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>	<b>Row A + Row B</b>