Submitted Testimony on SF 730
(Opioid Stewardship Program / PMP Funding and Fees / Prescription Limits / Law Enforcement / PMP Required Use / Opioid Limits)
MN Senate HHS Finance and Policy Committee
March 15, 2018

Chair Benson and members of the committee,

We appreciate this opportunity to share our concerns regarding SF 730. We oppose SF 730 for the nine reasons laid out below:

1. **Mission Creep and Taxation** – The Prescription Monitoring Program database (PMP) introduced a decade ago as a helpful tool for doctors has become an intrusion on their practice with increasingly prescriptive requirements. The bill mandates that prescribers use the PMP (lines 20.23-21.4) and allows the Board of Pharmacy to charge a fee to prescribers and pharmacists using the PMP (lines 12.28 – 13.2).

2. **Mandates Use of PMP and requires EHR Integration** – SF 730 designates tax dollars to fully integrate the PMP database into the electronic health records doctors have been forced to use (lines 13.6 – 13.10), potentially increasing the cost of the EHR for required structural/software changes. Already studies show that doctors spend twice as much time on recording/deskwork requirements as with patient care.

3. **Opioid Tax and Registration Fee** – The proposed Opioid Stewardship Program is a tax levied on manufacturers but will simply result in increased costs for patients and is therefore a tax on patients already suffering from high medical costs. Likewise, the annual opiate registration fees (lines 9.28 – 11.3) add an additional expense that will be passed on to the patients.

4. **Reporting Requirements Increase Costs and Decrease Access** – All manufacturers (lines 2.17 – 3.6), wholesalers (lines 2.29 – 3.6), pharmacies (lines 3.7 – 3.16), and owners of pharmacies (lines 3.17 – 3.24) must report. These entities will be forced to raise prices which increases costs for patients. It will also likely lead to decreased access for patients in pain as some pharmacies stop carrying certain drugs to avoid the administrative time and cost of fulfilling the reporting requirements.

5. **Taxation Without Representation** – The Opioid Tax in Sec. 2., Subd. 4. (lines 4.10 – 4.26) will lead to prescription cost increases uncontrolled by the legislature. This is a bad precedent for taxpayers and patients.

   a. **Pharmacy Board Determines Tax Rate** – “unit” is defined as “each capsule, tablet, milliliter, gram, or other such amount as defined by board.” (lines 4.13 – 4.14) This language allows the Board of Pharmacy complete authority to increase the taxes the Board of Pharmacy collects. (line 2.12)
b. **Tax Can Be Massive** – according to the Minnesota Dept. of Health, there were roughly 3.5 million opioid prescriptions or 2.7 billion MME (Morphine Milligram Equivalent) in Minnesota in 2016. Based on MDH data, if the Board of Pharmacy decided to define unit in a way that resulted in a **50-cent increase per prescription**, the Board would collect roughly **$1.75 million**. If the Board of Pharmacy decided to define unit as **1-cent increase per MME** the Board would collect **$27 million** before calculating the “10x,” “15x,” and “20x” multipliers found on lines 4.15 – 4.26. ([http://www.health.state.mn.us/divs/healthimprovement/opioid-dashboard/#PoliceIncidents](http://www.health.state.mn.us/divs/healthimprovement/opioid-dashboard/#PoliceIncidents) – MDH website)

c. **Opioid Tax Increases State Tax Burden** – the Kaiser Family Foundation found that roughly **4 out of 10 adults with opioid addictions are on Medicaid**. Increases in prescription costs will increase the state's Medicaid expenditures and tax burden.

6. **Removes Exemptions for Veterinarians** – This bill removes the exemption for veterinary prescriptions of opioids. This includes requiring data submission to the PMP (lines 15.11; 15.15 – 15.17), requiring veterinarian prescribers to use the PMP (20.17), and taxing the veterinary opioid products (line 2.33).

7. **Law Enforcement Reporting** – In a clear sign of mission creep, and expanded data collection and government surveillance, SF 730 requires law enforcement to submit data regarding controlled substances to the PMP (lines 16.26 – 17.13).

8. **Building Bureaucracy and Taxpayer Burden** – This bill expands the bureaucracy and makes the Board of Pharmacy, the Dept. of Human Services, the Opioid Stewardship Board, and grant recipients dependent on the taxes collected. **Proposed distribution of funds in SF 730 include:** Board of Pharmacy, Commissioner of Management and Budget, Commissioner of Human Services, Opiate Stewardship Advisory Council (reimbursement of expenses), County Social Service Agencies, Grants, Prescription Monitoring Program

9. **Directing Practice of Medicine** – SF 730 restricts the time period for dispensing opioids (lines 14.11 – 14.15), thus limiting the authority of highly-trained doctors and other prescribers to make medical decisions based on the needs of individual patients.

In conclusion, SF 730 raises costs, decreases access for patients in pain, authorizes unelected officials to levy taxes on Minnesotans, expands bureaucracy, adds mandates for doctors and prescribers, transforms the PMP from a tool for prescribers into a massive surveillance program, mandates use of the PMP and allows them to charge for the use, and embeds government intrusion in the exam room.

Thank you for your consideration of our many concerns.

Sincerely,

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President and Co-founder