

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	20 <u>08</u>	20 <u>09</u>	20 <u>10</u>	20 <u>11</u>	20 <u>12</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
**** SEE OFMB COMMENTS BELOW ****					
NET FISCAL IMPACT	_____	_____	_____	_____	_____
No. ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes _____ No *
 Budget Account No.: Fund _____ Department _____ Unit _____
 Object _____ Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:
 None

C. Departmental Fiscal Review:

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:
 The fiscal impact of this item is indeterminable at this time.

 _____ OFMB 3-31-08 CN 3/31/08	N/A _____ Contract Dev. and Control
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B. Legal Sufficiency:



 Assistant County Attorney
 3/31/08

C. Other Department Review:

 Department Director

SUMMARY: (Continued from Page 1) **HB 1243** by Representatives **Seiler and Sachs** exempts from public records requirements information and records reported to DOH under electronic monitoring system for prescription of controlled substances listed in Schedules II-IV; authorizes certain persons and entities access to patient-identifying information; provides guidelines for use of such information and penalties for violations. Countywide (DW)

Background and Policy Issues: As reported by the US Department of Justice: **Pharmaceutical Diversion:** Unprecedented increases in levels of abuse pose a serious threat to the health and safety of Florida citizens. The Florida Medical Examiners report that five people die in Florida daily as a direct result of prescription drug overdoses. Current investigations indicate that diversion of hydrocodone (e.g. Vicodin®) and oxycodone (e.g. OxyContin®) products are a problem. Benzodiazepines (such as Xanax® and its generic alprazolam) and methadone are also identified as being among the most commonly abused and diverted pharmaceuticals in Florida. Primary methods of diversion include the Internet, illegal sale and distribution by health care professionals and workers, "doctor shopping," forged prescriptions and employee theft. Florida has emerged as a center for Internet holding companies which organize (and sometimes control) websites, physicians, pharmacies, and even pharmaceutical wholesalers.

PBC Legislative Update

MARCH 29, 2008

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Coming Up Next Week

FEDERAL UPDATE

State Issues – Legislative Session – Week 4

County Priority Issue Updates

FAC Legislative Day

County Commissioners Addie Greene, Jeff Koons and Karen Marcus traveled to Tallahassee this week with **Assistant Count Administrator Brad Merriman** for the annual FAC Legislative Day. Commissioners, staff, and lobby team members met with numerous state and legislative leaders including the Governor and his Deputy Chief of Staff, Transportation Secretary Stephanie Kopelousos, Senate Majority Leader Dan Webster and House Budget Chair Ray Sansom.

In those meetings, Commissioner Koons spoke openly with Sen. Webster about Transportation issues that included the indexing of gas taxes, RTA funding and SIS dollars. Commissioner Marcus discussed budget issues with Rep. Ray Sansom and reiterated our position on unfunded mandates and cost shifts.

Property Taxes

By: Ericks Consultant and County Staff

HB 715 Local Government Revenue Sources by Flores passed favorably out of committee this week and is now in Government Efficiency and Accountability Council. This bill requires a super majority vote for actions by local governments to levy new, increase, expand, or eliminate exemptions from taxes, special assessments, non-ad valorem assessments, or impact fees. It requires a super majority vote of electors voting in referenda on laws taking same actions. It provides an exception for emergencies and provides for non-application to other specified revenue sources. In debate, **Rep. Skidmore** expressed her opposition to this bill by saying that it takes away local control.

Budget Issues

By: Pittman Law Group, The Wren Group and County Staff

The Senate released its first budget proposal for FY 2008/2009 that included significant reductions to many programs. Below are highlights of their proposed Water and Environment budget:

- \$300 million for the Florida Forever Program
- \$200 million for Everglades Restoration which includes Lake Okeechobee, Caloosahatchee and St. Lucie River and Estuaries
- \$43 million for Water Projects (as of yet unspecified)
- \$87.4 million for implementation of Fla. Water Protection and Restoration Act
 - \$17.4 million for Total Maximum Daily Loads
 - \$60 million for Alternative Water Supply Development
 - \$10 million for Disadvantaged Communities Wastewater Infrastructure
- \$18.9 million for Statewide Beach Projects
- \$43 million for Exotic Plant Control

The House will be releasing their budget recommendations on Sunday March 30th.

On Wednesday, the House Environmental and Natural Resources Council workshopped the Council recommendations for the 08-09 Budget. The Council's reduction allocation was \$15.6 million from general revenue. Most of the changes were based on the Departments 10% reduction recommendations and a few of the Governor's recommendations.

One area of note was a \$15 million decrease (from \$30 million down to \$15 million), to beach erosion programs. The cut was due to the decreased funds in the Ecosystem Trust fund because of decreased doc stamps. The Council was assured that there would still be enough to qualify for federal matching dollars.

They went on to explain that Total Maximum Daily Loads (TMDL) would continue to be fully funded through the Water Protection Sustainability Trust Fund. Even though \$80 million would be put into the Trust Fund and \$62 million would be redirected back into General Revenue for the next 5 years.

The reality is that the legislature must write a 2008-09 budget that is 16 percent lower - \$4.6 billion - than the \$72 billion budget they passed last year.

Taxation and Budget Reform Commission

By: County Staff, the Moya Group, and Foley and Lardner

The Taxation & Budget Reform Commission met on Wednesday, March 26, 2008. The Commission discussed the constitutional proposal (CS/ CP 6/ 8/ 34) on Working Waterfronts which they passed in a vote 24-1. The proposal will now be placed on the November ballot for final passage. Under this proposal, certain working waterfronts will be assessed based on "use" and not "best use" for the purposes of ad valorem taxation. The fiscal impact of the tax breaks for marinas and other working waterfront businesses is expected to be near \$70 million.

During the meeting the Commission also began debate on CP 0045, the Taxpayer Bill of Rights (TABOR). This proposal limits the amount of revenue all governments could collect to the rate of population or school enrollment growth plus 1 percent. This constitutional proposal was temporarily postponed, and will be discussed at the next TBRC meeting on April 4, 2008.

Traffic Safety Photo Enforcement

By: County Staff, Moya Group, Akerman Senterfit, Corcoran, and Pittman Law Group Foley and Lardner

Provisions in the strike all amendment adopted to SB 816 in committee two weeks ago address some of the following:

- Mandates flat fee arrangements with contractors
 - *No per citation fee for contractors*
- Preempts all photo traffic enforcement to the state— regulates the fee for citations
 - *Due to "preemption" language the county may be prohibited from producing its own local citation on photo enforcement.*
- Intersections with traffic cameras must be properly engineered according to DOT specifications.
- Specifies that counties or municipalities can record a maximum of 10 seconds of streaming video of only the back of a vehicle
- If there is a 10% increase in accidents at an intersection where photo traffic enforcement cameras are being used, they must be removed
- Municipalities that entered into contracts prior to March 1, 2008 will have until 2013 to get in compliance with the new proposed law. The citations provisions will take effect immediately

The Moya Group met with members of the Senate Criminal Justice Committee, as well as, with members of the Chairwoman's Staff, to gain support of SB 816 and

have it placed on the Committee's agenda. TMG also met with staff of the Senate sponsor regarding the early submission of withdrawal forms. TMG is trying to have SB 816 withdrawn from its reference to Health and Human Services Appropriations.

Pittman Law Group spoke to Chair Cannon on Tuesday about hearing the House bill, HB 351 by Reagan, in his committee, Economic Expansion & Infrastructure. The Chair said he would not be putting any bills on his agenda for this week, but agreed to put it on the agenda for next week. He supports the bill himself and feels confident that it will pass through without issue.

Growth Management

By: FAC Staff

The Senate Community Affairs Committee temporarily postponed its growth management bill (SB 474) this week in order to receive more input from the various interest groups. As reported previously, the bill generally reflects proposals developed by the Department of Community Affairs and includes, among other issues, the following: a citizens planning bill of rights; Everglades protection requirements for certain local governments; increased compliance requirements for land use amendments in coastal high hazard areas; urban concurrency exceptions and funding alternatives.

SFRTA

By: County Staff, Ericks Consultants

Commissioner Koons was in Tallahassee this week for FAC Legislative Day and had a number of meetings related to transportation. Included among the meetings were: Senator Dan Webster, FDOT Secretary Stephanie Kopelousos, and Shane Strum, Deputy Chief of Staff/Office of the Governor. Topics of discussion included the SB1512 and HB 1245 related to the RTA and the funding impact of current road projects in the work program.

Transportation Disadvantaged

By: Transportation Disadvantaged Staff and Ericks Consultants

In budgets released this week, on the Healthcare side for Medicaid Non-Emergency Transportation both chambers are proposing a **4% reduction in non-emergency transportation reimbursement**. However, legislators are also looking to "suspend" optional Medicaid services for a period of two years. These services include: adult dental, hearing and vision. Additional cuts include eliminating coverage for the Medically Needy Program, reducing the income limit for Medicaid eligibility for pregnant women from 185% to 150% of the poverty level, and reducing reimbursement for dialysis services. However, they are looking to increase rates for Medicaid Physicians.

On the transportation side of the budget with the Senate cutting back on a number of programs, they are looking to add to areas that are an "economic stimulus", transportation being one. In the House, the direction is to sweep as much as possible from the trust funds to cover the shortfalls.

AIDS Testing for Jail Detainees

By: Pittman Law Group and County Staff

SB 212- Wilson, HB 1511- Braynon We are working with Rep. Braynon's office to get both bills moving in Senator Wilson's absence. We are trying to have the House bill pulled up by the Healthcare Council as Health Quality is no longer meeting this Session. However, the \$3 million fiscal impact analysis received by Rep. Braynon's could hinder the bills progress. Rep. Bean, as Chair of the Healthcare Council said he will not put the bill on the agenda in his committee as long as it has a negative fiscal impact. We believe the language may need to be altered to ensure that there will not be an impact on the State if this bill is to be heard this year.

Trauma Care for Individuals in Multi County Areas

By: County Staff, Akerman Senterfitt, McGee

This week County staff and lobbyists met with Secretary Holly Benson of The Florida Agency for Health Care Administration (AHCA) and Carlton Snipes, Assistant Deputy Secretary for Medicaid Finance to discuss funding for state trauma care and the reimbursement for care and transportation from out of county residents. Different options were discussed including interlocal agreements between counties for reimbursement of residents treated and identification of dollars to fund the trauma network. Secretary Benson offered other suggestions, and staff will be researching their feasibility and following up with her office.

Also **SB 658** on Road Rage passed out of Senate Transportation. An amendment was added that re-allocates the funds deposited in the Administrative Trust Account as a result of fines. The funds will now be disbursed, 25% each, to level 1, 2 and pediatric trauma centers based on readiness costs; another 25% to those centers based on relative volume; 25% for EMS; and 25% for rural EMS.

Planning/Zoning/Building issues

By: Pittman Law Group

SB 1466- Aronberg, HB 407- Chestnut - After conferring with the County regarding construction industry concerns with SB 1466, we have been in contact with the Homebuilders and Construction Coalition, who are the major opposition to the bill. A meeting with the Construction Coalition has been scheduled for Monday, March 31st in Tallahassee to discuss their concerns with the bill and possible changes.

The identical bill by Rep. Chestnut had not yet been put on the agenda. Pittman Law Group continues to meet with Rep. Lopez-Cantera, Chair of Business Regulation, the first committee of reference, to discuss his reservations.

Florida Forever

By: Pittman Law Group, Wren Group, and County Staff

ENRC 9/ SB 542 by Saunders Monday, the Senate conducted a workshop on their version of the Florida Forever Successor through Sen. Saunders bill, 542. On Thursday, the Senate bill came before its first committee, Environmental Preservation & Conservation. However, the bill was temporarily postponed without voting to adopt the strike all amendment adding the Florida Forever provisions. One area that was discussed during workshop meetings was the inclusion of language addressing the shared title of lands bought with state and local funds.

On Wednesday, House Conservation & State Lands voted to recommend ENRC 9 as a Council bill after three workshop sessions.

Enterprise Zone Boundaries

By: County Staff, Corcoran, Pittman Law Group

Senate and House bills identified as vehicles for the amendment to expand Enterprise Zones three additional miles in rural areas of critical economic concern have not yet been heard in referenced committees, possibly due to the original bill's fiscal impacts. County staff met with the staff director of economic development for possible inclusion of the amendment in an economic development package. This idea was met with positive response and the economic package should be out within the next week. Last week, County staff and Corcoran met with representatives of OTTED to discuss the county's amendment language for the Enterprise Zones. OTTED supports the language, and we will continue to work with sponsors of Enterprise Zone bills to amend the bills and have them added to the agenda of their referred committees.

Scanner Law

By: County Staff, Pittman Group, Corcoran

HB 151 by Representative Reed passed 16-0 out of the Safety and Security Council this week along with the County's amendment allowing employees of a local or state government agency to carry radios with access to law enforcement signals inside a non-emergency vehicle. Thank you to **Representative Snyder, Representative Sachs and Representative Taylor** for their support of the amendment and bill. The bill has been placed on the House Special Order Calendar for next week on April 2, 2008.

The companion bill, **SB 522 by Senator Hill** has two committees of reference and has been placed on the Criminal Justice calendar on April 1st. The lobby team has been working diligently to have these bills heard in their referenced committees.

Mining

By: Wren Group

ENRC 08-18 Resource Extraction / Mining as introduced in the House would pre-empt the ability of local governments to deny or limit the approval or operation of a mine due to concerns over issues regulated by the DEP pursuant to their authority. The proposed council bill was unanimously approved by the Environmental Protection Committee. The committee had much discussion about the impact the bill would have on the County's ability to fulfill its obligations under Ch. 163 relating to comprehensive planning which specifically requires local government to address impacts to wetlands and water resources when land use and zoning changes. These provisions and the proposed statute are clearly in conflict. The suggestion was made to have the State remove those criteria from the comp plans statutes. The bill will next be heard in Council where there will be an amendment to undertake the Strategic Aggregates Resource Assessment (SARA) as recommended by the Aggregate Review Task Force.

In the Senate an amendment which requires a supermajority vote of the local government governing body to deny any land use, zoning or mining permit for a project already approved by the DEP, was passed this week after a similar measure was voted down by the committee last week.

Agriculture Enclave

By: County Staff, Ericks Consultants, Pittman Law Group and Moya Group

This week, **HB 1173** on Land Development Regulation was TP'd in the House Environmental & Natural Resources Council due to meeting time constraints. However, the Senate bill **SB 2246 by Baker** was heard in the Senate Agriculture Committee on Thursday. County staff testified in committee against the bill. As requested by the County, our lobby team met with several committee members prior to the meeting to express the county's concerns with the legislation.

In the Senate Committee, the bill was defeated 2-4 and then temporarily brought back to life in a procedural move that will leave the bill temporarily postponed and available to bring back for consideration at a future meeting. During the course of the debate which lasted about 40 minutes, there were several concerns brought up by members of the Committee that included Senators Ted Deutch and Larcenia Bullard who represent portions of Palm Beach County and Senators Jeremy Ring (Broward County) and Alex Diaz de la Portilla (Miami-Dade County). Sen. Bullard began questioning of the legislation by asking the effects the bill would have on a local government's land use authority and what impact it would have on a local government by forcing more cases to go to Bert Harris hearings.

Sen. Diaz de la Portilla interjected with strong questioning of the expansion of limiting local government control in these types of land use situations and Sen. Deutch followed up with questions regarding the current limited scope of the amendment potentially only dealing with one parcel of property in the state and the expanded role of litigation in these circumstances if issues couldn't be easily resolved.

In the end, Senators Deutch, Diaz de la Portilla, Ring, and Chair Alexander voted against the legislation, and Senators Bullard and Peaden voted for the bill. Chair Alexander, in a procedural motion, as voting on the prevailing side moved to reconsider the bill and left it temporarily postponed in committee before adjourning the meeting. A special **THANK YOU** should be given to **Sen. Ted Deutch** for his understanding and support of this issue and his questioning which brought light to the application of this sweeping proposed change to state law.

Clerk's Bill

By: County Staff, Moya Group, Pittman Law Group

HB 399/ SB 640- Financial Management by Local Governments

The Moya Group met with the Chairman of the Community Affairs Committee and with staff members to discuss an amendment to the bill. The Moya Group along with county and FAC staff has continued to have ongoing discussions with the sponsor of SB 640 on an amendment to the bill. We feel the sponsor is amenable to language that we have proposed. As conveyed in our meetings with Fred Baggett, lobbyist for the Florida Association of Clerks, he continues to support the changes we have recommended.

Mike Harrell continues to meet with Representative Grant regarding HB 399 and to encourage his support for compromise language that has been negotiated among the interested parties.

HB 399 has been placed on the Calendar for second reading.

Fertilizer Bill

By: Wren Group

HB 1267 Protecting Urban and Residential Environment by Nelson

This bill addresses the findings of the "fertilizer task force." This has been, and remains, a very dynamic bill - there have been several substantial amendments to the language of the bill that have changed its requirements significantly since the originally filed version - with regard to the requirements imposed upon local governments, powers of local governments to adopt more stringent regulations on fertilizers, as well as duties and responsibilities of the Department of Environmental Protection and Department of Agriculture and Consumer services.

The House bill passed Environment and Natural Resources Council with a committee substitute. The companion bill, **SB 2352 by Aronberg**, also was amended in committee with a strike-everything amendment and passed out of Senate Agriculture.

Emergency Management/Good Samaritan

By: Foley and Lardner

The Foley & Lardner team continues to work with County staff on the Good Samaritan amendment language that would provide immunity for certain employees in specific emergency situations. Mike Harrell met with Ted Granger of the United Way to discuss their interest in the proposed Good Samaritan language.

The Foley team discussed the proposed language with Constitution & Civil Law Staff Director Stephanie Birtman to get a read on the concerns that might arise from the proposed language and the team has communicated those concerns to the county. Harrell also met with Chairman Attkisson regarding the proposed language to discuss potential vehicles for an amendment.

One potential vehicle for an amendment is HB 839 regarding Sovereign Immunity for emergency healthcare providers; however, this bill was again temporarily postponed but is expected to be brought back up in the House Safety and Security Council next week. The Senate companion, SB 1640 by Baker has not yet been considered by a committee in the Senate.

Agriculture/ Farm Buildings

By: Wren Group

SB 2060 Agriculture by Dean and HB 0761 Agriculture by Pickens

This bill addresses a number of issues related to agriculture. It:

- **Prohibits a county government to impose a tax, assessment or fee for stormwater management on agricultural land, if the agricultural operation has an agricultural discharge permit or implements best-management practices adopted by the state;**
- Expands eligibility for exemption from a local business tax receipt for persons who sell farm, aquacultural, grove, horticultural, floricultural, tropical piscicultural, or tropical fish farm products, or products manufactured there from;
- Provides indemnity for an agricultural landowner for an easement or any other right secured by a water management district for access to recreational lands provided to the public by a district;
- Authorizes the Department of Agriculture and Consumer Services to adopt by rule comprehensive best-management practices for agricultural production and food safety;
- **Expands county and municipal exemptions for nonresidential farm buildings to include permits and impact fees;** and
- Expands the materials used in agricultural operations that can be openly burned.

HB 761 was passed by the Environment & Natural Resources Council this week.

Local Government Transparency

By: County Staff

SB 392 by Senator Storms relating to General Local Govt. Transparency and Contract Information requires local governments with a website to electronically post contract information relating to certain contracts. Access to the website would be provided at no cost. It also requires the Department of Financial Services to develop a uniform format to be used by local governments when posting contract information and that contract information should be posted at least on a quarterly basis. The Sheriff's, Tax Collector's, Property Appraiser's, Supervisor of Election's and Clerk of Court's contracts must also be maintained by the County. The requirement to post contracts on their respective website is also required for special taxing districts, municipalities and water management districts. In addition, the bill requires that each local government must designate one central office to maintain all contract information. The implementation schedule for counties with a population of 300,000 or more is December 31, 2009.

Arguments were made by local governments that this is an undeterminable unfunded mandate which is consistent with staff analysis of the bill, and that local governments can expect to incur the costs to comply with the reporting requirements for both the website maintenance and staff. In response to this argument, the bill sponsor has testified that this is a simple process that will not be time consuming. On Thursday, an amendment was added that would require the state to comply with the same mandate. **Thank you to Senator Oelrich**, the only dissenting vote on the bill, for continuing to impress upon the committee the fiscal impact these requirements will have on local government. The bill has passed two of its four committees of reference. Similar legislation, HB 181 by Representative Harrell has passed one of three committees of reference.

Equine Activities

By: County Staff

HB 305 by Representative Vana and SB 964 by Senator Aronberg designates the "Nicole Hornstein Act", which provides that a person under the age of 16 must wear a helmet if they are riding a horse on public lands. The requirement does not apply if the person is involved in an activity such as a parade or rodeo, where helmets are not historically part of the event, or if the person is riding a horse on private property. In 2006, Palm Beach County resident Nicole Hornstein was thrown off a horse she was riding and hit her head on a paved area of ground. Hornstein was not wearing a helmet at the time. As a result of the fall, Hornstein fell into a coma for 20 days before passing away at age 12. Both bills passed unanimously out of committee this week with the County waiving in support of the bills. The House bill has one more committee of reference and the Senate bill has three more committees of reference.

Scripps Research Institute

By: County Staff

SB 2778 by Senator Fasano requires the Scripps Florida Funding Corporation, along with the Office of Tourism, Trade, and Economic Development and Enterprise Florida, Inc., to review the performance and progress of grant recipients of the Innovation Incentive Program, and requires the Legislative Budget Commission to review and approve an innovation incentive award before the Executive Office of the Governor releases the funds. One of the concerns in the bill is the requirement that no more than 50 percent of the total appropriation from the Innovation Incentive Grant Program in any given fiscal year can be given to life science companies. This may limit opportunities to continue to grow the Bioscience clusters.

County staff is planning on meeting next week with the OTTED Senior Attorney to discuss the bill. The bill has passed one of three committees of reference and has no House companion.

Airport Issues / WiFi

By: County Staff, Foley and Lardner

HB 1029 by Kravitz and SB 2232 by Fasano relate to the protection of minors online. Leonard Schulte of Foley & Lardner researched the issue as it relates to WiFi use at airports and provided County staff with suggested legislative changes that would further refine internet access at airports. It is unclear whether there is a federal preemption that may apply in this case and further review may be necessary. HB 1029 was on the agenda this week; however, the committee ran out of time before the bill was considered. The bill is on the agenda for the House Safety and Security Council next week.

After working with the bill sponsor to address airport's concerns, the bill was amended by the sponsor defining "Internet access provider" as "any entity who, as one of its primary business activities, provides consumers with access to the Internet." This will serve to exempt airports from the requirements in the bill.

Energy

By: Pittman Law Group

ENRC1- Energy This bill came up in Environment & Natural Resources Council on Wednesday. Assuming there would not be enough time to finish hearing the bill this week, Chair Mayfield plans to continue the discussion in next week's meeting.

The nearly 200 page bill was summarized by staff before the amendatory process. Some of the main points were:

- The implementation of a Carbon credit Cap & Trade program
 - Authorize the Dept. of Environmental Protection to implement rules governing the Cap & Trade program, to be ratified by the Legislature
 - Requires the Cap & Trade Program to create a maximum emission output, trading allowances, and cost containment measures including a safety valve to stop credit prices from going to high
- Net metering for all utilities
- Implementing an ethanol percentage requirement for gasoline
- Requiring new construction to meet increased energy efficiency standards
- Requires an economic and environmental study
- Transfer governance of the Florida Energy & Climate Commission to the Governor's office
- Create the Florida Renewable Energy/Energy Efficiency grant program
- Require emissions reporting

Medicaid Benefits

By: FAC Staff

SB 1456 by Wilson passed without opposition in the Senate Health Policy Committee on Wednesday. Commissioner Lieberman (Broward) and Commissioner Heyman (Dade) both testified in support of the legislation that suspends versus terminates Medicaid benefits for those incarcerated for less than a year. This legislation has brought up the discussion of high medical costs to Sheriffs when they are forced to bring inmates to hospitals to receive care.

COMING UP NEXT WEEK

Autism

By: County Staff,, Akerman Senterfitt and Ericks Consulting

Tuesday, Sen. Geller's bill SB 2654 will be on the agenda in Senate Health Policy.

Wednesday is Autism Awareness Day in Tallahassee and Commissioner Kanjian is expected to attend for the day's events

MPO Day

Thursday is MPO day in Tallahassee. MPO Director Randy Whitfield and Commissioner Jeff Koons will be in attendance.

House Session Schedule

Next Wednesday, legislation regarding **Dart Firing Stun Guns** and **Scanner Radios** will be heard in Session before the House of Representatives.

FEDERAL ISSUES

Foreclosure Prevention Act

By: US Strategies

Senate leaders are expected to try again next week to call up legislation introduced mid-February by Senate Majority Leader Harry Reid (D-NV) that would provide \$4 billion through the Community Development Block Grant for the purchase and rehabilitation of foreclosed properties in areas with high foreclosure rates. S 2636 contains additional proposals to ease problems for mortgage holders and home buyers, including one that would allow bankruptcy court judges to modify mortgage terms, potentially reducing the outstanding principal on a loan; it was this provision that drew lending industry opposition and prompted Republicans to block the bill a month ago. Minority Leader Mitch McConnell (R-KY) was quoted as saying that the removal of the bankruptcy provision next week would be a "good start" toward getting agreement on foreclosure relief legislation.

Budget

By: US Strategies

Congress has been on a two week Easter recess since Friday March 14th and will return on Tuesday, March 31st. As expected, the last days were very contentious between the Democrats and Republicans as well as the Administration. The Senate's three presidential contenders, who have been largely absent from Washington in recent months, turned up the spotlight on their chamber Thursday, March 13th, by returning for votes on the FY2009 fiscal budget resolution.

FY 2009 Budget Resolution

During the week of March 10, the House and Senate passed their respective versions of the FY 2009 budget resolution. The Senate vote, which came early in the morning of March 14th, was 51-44, with two Republicans – Senators Susan Collins and Olympia Snowe (ME) – voting for it and one Democrat – Senator Evan Bayh (IN) – voting against it. The House version passed Thursday, March 13th, on a 212-207 vote, with no Republicans voting for it and 16 Democrats voting against it.

A conference to reconcile differences in the two versions is expected after Congress returns from its two week Spring break. *The budget resolution provides non-binding guidance to the Congress on spending, taxes, and domestic policy; it is not a law and so does not go to the President for signature.*

Both versions assume that the President's 2001 and 2003 tax cuts will expire as scheduled in 2010 or be fully offset if they are extended. The Senate version calls for extending provisions aimed at lower- and middle-income taxpayers and would pay for that extension with projected surpluses. The House version would extend those tax cuts only if they can be offset by tax increases or spending cuts elsewhere in the budget. It is expected that the biggest sticking point to resolving differences between the two chambers will be whether another one-year patch for the alternative minimum tax will have to be offset. The House version calls on Congress to pass a fully offset "patch" and would protect that provision from a filibuster through the reconciliation process. The Senate version provides no such provision; it calls for a one-year patch but doesn't require offsets.

Palm Beach County

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The table below highlights other key provisions of the House and Senate resolutions:

Provision	FY 2009 House Budget Resolution	FY2009 Senate Budget Resolution
FY 2009 Total Federal Spending	\$3.1 trillion	\$3.1 trillion
FY 2009 Discretionary Spending Amount Over President's Discretionary Spending Proposal	1.014 trillion (25.4 billion)	1.010 trillion (21.8 billion)
FY 2009 Federal Revenues	2.7 trillion	2.7 trillion
Projected FY 2009 Deficit	340.4 billion	366 billion
Projected FY 2013 Surplus	178.2 billion	160 billion
FY 2009 Discretionary Budget Authority		
Defense	537.8 billion	607.8 billion
International affairs	38.3 billion	35.7 billion
General science, space and technology	29.8 billion	29.8 billion
Energy	6.1 billion	8.4 billion
Natural resources and environment	37.6 billion	38.7 billion
Agriculture	6 billion	6 billion
Commerce, housing and credit	5 billion	4.8 billion
Transportation	24.6 billion	27.3 billion
Community and regional development	14.5 billion	15 billion
Education, training, employment and social services	85.3 billion	84.2 billion
Health	57.6 billion	58.9 billion
Medicare	5.2 billion	5.4 billion
Income Security	55.6 billion	55.5 billion
Social Security	5.2 billion	5.5 billion
Veterans benefits and services	48.1 billion	48.2 billion
Administration of justice	45.1 billion	44.3 billion
General government	17.8 billion	17.8 billion
Overseas deployments and related activities	70 billion	--

Examples of the specifics in the FY09 Budget Resolution:

- Both resolutions would reject many of the President's proposed cuts in domestic discretionary programs and provide for more discretionary spending than the President proposed. The House version would provide an additional \$22 billion, the Senate an additional \$18 billion.
- The Senate resolution includes \$35 billion for a second stimulus bill; the House resolution has no stimulus provision.
- Both versions provide up to \$50 billion in additional funds for the State Child Health Insurance Program (SCHIP), with those funds offset.
- The House resolution instructs the Ways and Means Committee to find \$750 million in savings over six years; the Senate resolution has no similar provision.
- The House version endorses offsets to pay for a one-year AMT patch (expected to cost \$62 billion); the Senate version provides for the one-year patch to be made without offsets.
- Both versions would extend tax breaks such as the 10 percent tax bracket, the child tax credit, and provisions to obviate the marriage penalty, but the House resolution would require that these extensions be offset.
- Both versions project revenue levels which assume that the 2001 and 2003 tax cuts will expire in 2010 or be fully offset if extended by tax increases or spending cuts elsewhere. (The Congressional Budget Office estimates that allowing the tax cuts to expire would increase revenues by \$683 billion over five years.)

Both resolutions show budget surpluses in FY 2012 and FY 2013.

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, URGING THE FLORIDA LEGISLATURE TO ENACT A LAW REQUIRING THE DEPARTMENT OF HEALTH TO ESTABLISH A COMPREHENSIVE PRESCRIPTION MONITORING PROGRAM FOR CONTROLLED SUBSTANCES INITIALLY WITHIN PALM BEACH AND BROWARD COUNTIES AND EVENTUALLY STATEWIDE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Senate Bill 2724 and 2782 by Senator Jeff Atwater and House Bill 1011 and 1243 by Representatives Jack Seiler and Maria Sachs have been filed for the 2008 Regular Session of the Florida Legislature; and

WHEREAS, the number of deaths reported with autopsy reports of drugs in the system increased from previous years and climbed to 636 in 2007, with 224 of those being absolute overdoses; and

WHEREAS, these bills provide life saving benefits and additional substance abuse prevention to the residents of Palm Beach and Broward counties by monitoring controlled substance use; and

WHEREAS, Palm Beach County can play an important role in reducing the number of intentional and/or accidental overdoses by encouraging the adoption of these bills.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that this Board:

Section 1. Urges the Florida Legislature to provide an additional substance abuse prevention tool to the residents and law enforcement of Palm Beach and Broward County by requiring the Department of Health to establish an electronic controlled substance monitoring system.

Section 2. Expresses its support for Senate Bill 2724 and 2782 and House Bill 1011 and 1243 and urges their passage.

Section 3. Directs the Commissioner Chairperson to transmit a copy of this Resolution to Senator Jeff Atwater and Representatives Jack Seiler and Maria Sachs, as well as, the Chair and remaining members of the Palm Beach County State Legislative Delegation.

Section 4. Directs the County's state lobbyists to advocate for the passage of the legislation set forth in Section 1 and 2 above.

The foregoing Resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

- Commissioner Addie L. Greene, Chairperson -
- Commissioner John F. Koons, Vice Chair -
- Commissioner Karen T. Marcus -
- Commissioner Robert J. Kanjian -
- Commissioner Mary McCarty -
- Commissioner Burt Aaronson -
- Commissioner Jess R. Santamaria -

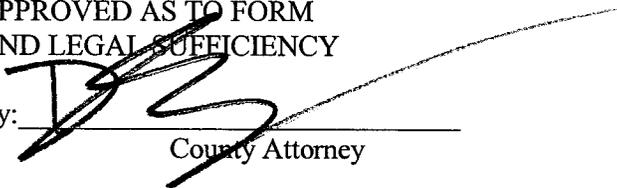
The Chairperson thereupon declared the Resolution duly passed and adopted this _____ day of _____, 2008.

PALM BEACH COUNTY, FLORIDA, BY ITS BOARD OF COUNTY COMMISSIONERS

SHARON R. BOCK, CLERK

By: _____
Deputy Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By:  _____
County Attorney

FLORIDA HOUSE OF REPRESENTATIVES

HB 1011

2008

1 A bill to be entitled

2 An act relating to monitoring controlled substance
3 prescriptions; creating s. 893.055, F.S.; providing a
4 definition; requiring the Department of Health to
5 establish, initially within specified counties, a
6 comprehensive electronic system to monitor the dispensing
7 of specified controlled substances; requiring the
8 department to phase in implementation statewide; requiring
9 the dispensing of such controlled substances to be
10 reported to the department through the system; providing
11 exceptions; providing for rulemaking concerning data to be
12 reported and for reporting formats; providing that costs
13 for required reporting by dispenser may not be material or
14 extraordinary; providing that specified costs are not
15 material or extraordinary; authorizing transmission of
16 data to certain persons or agencies; providing for data
17 retention; requiring that data transmissions comply with
18 privacy and security laws; providing penalties for
19 violations; requiring that the department and regulatory
20 boards adopt rules; requiring the department to obtain
21 financial assistance through grants; providing an
22 effective date.

23
24 Be It Enacted by the Legislature of the State of Florida:

25
26 Section 1. Section 893.055, Florida Statutes, is created
27 to read:

F L O R I D A H O U S E O F R E P R E S E N T A T I V E S

HB 1011

2008

28 893.055 Electronic monitoring system for dispensing of
29 controlled substances listed in Schedules II, III, and IV.--

30 (1) As used in this section, the term "pharmacy" means any
31 pharmacy subject to licensure or regulation by the department
32 under chapter 465 that dispenses or delivers a controlled
33 substance listed in Schedule II, Schedule III, or Schedule IV to
34 a patient in this state.

35 (2) By June 30, 2009, the department shall design and
36 establish an electronic system consistent with standards of the
37 American Society for Automation in Pharmacy to monitor the
38 prescribing and dispensing of controlled substances listed in
39 Schedule II, Schedule III, or Schedule IV by health care
40 practitioners and the dispensing of such controlled substances
41 to an individual by a pharmacy permitted or registered by the
42 Board of Pharmacy. Initially, the system shall be implemented in
43 Broward County and Palm Beach County only. The department shall
44 implement expansion of the program to include the remaining
45 counties of the state in accordance with a plan to be developed
46 by the department.

47 (3) Each time a controlled substance listed in Schedule
48 II, Schedule III, or Schedule IV is dispensed to an individual
49 in the county, the controlled substance must be reported to the
50 department through the system as soon thereafter as possible but
51 not more than 35 days after the date the controlled substance is
52 dispensed. A pharmacy or dispensing practitioner may meet the
53 reporting requirements of this section by providing to the
54 department, in a format approved by the department as provided

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HB 1011

2008

55 in subsection (6), each controlled substance listed in Schedule
56 II, Schedule III, or Schedule IV that it dispenses.

57 (4) This section does not apply to controlled substances:

58 (a) Administered by a health care practitioner directly to
59 a patient.

60 (b) Dispensed by a health care practitioner authorized to
61 prescribe controlled substances directly to a patient and
62 limited to an amount adequate to treat the patient for a period
63 of not more than 72 hours.

64 (c) Dispensed by a health care practitioner or a
65 pharmacist to an inpatient of a facility that holds an
66 institutional pharmacy permit.

67 (d) Ordered from an institutional pharmacy permitted under
68 s. 465.019 in accordance with the institutional policy for such
69 controlled substances.

70 (e) Dispensed by a pharmacist or administered by a health
71 care practitioner to a patient or resident receiving care from a
72 hospital, nursing home, assisted living facility, home health
73 agency, hospice, or intermediate care facility for the
74 developmentally disabled that is licensed in this state.

75 (5) The data required to be reported under this section
76 shall be determined by the department by rule but may include
77 any data required under s. 893.04.

78 (6) A practitioner or pharmacist who dispenses a
79 controlled substance under this section must submit the
80 information required by this section in a written or electronic
81 or other format approved by rule of the department. The cost to
82 the dispenser in submitting the information required by this

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83 section may not be material or extraordinary. Costs not
84 considered to be material or extraordinary include, but are not
85 limited to, regular postage, compact discs, zip-drive storage,
86 regular electronic mail, magnetic tapes, diskettes, and
87 facsimile charges. The information submitted to the department
88 under this section may be transmitted to any person or agency
89 authorized to receive it under chapter 119, and that person or
90 agency may maintain the information received for up to 24 months
91 before purging the information from its records. All
92 transmissions required by this subsection must comply with
93 relevant privacy and security laws of the state and the Federal
94 Government. However, any authorized agency receiving such
95 information may maintain it for longer than 24 months if the
96 information is pertinent to an ongoing investigation or
97 prosecution.

98 (7) Any person who knowingly fails to report the
99 dispensing of a controlled substance as required by this section
100 commits a misdemeanor of the first degree, punishable as
101 provided in s. 775.082 or s. 775.083.

102 (8) The department and the regulatory boards for the
103 health care practitioners subject to this section shall adopt
104 rules pursuant to ss. 120.536(1) and 120.54 to administer this
105 section.

106 (9) All costs incurred by the department in administering
107 the prescription monitoring system shall be paid through a grant
108 applied for by the county or the state. The department and local
109 government will cooperate in seeking grant funds at no cost to
110 the department.

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2008

111

Section 2. This act shall take effect July 1, 2008.

F L O R I D A H O U S E O F R E P R E S E N T A T I V E S

HB 1243

2008

1 A bill to be entitled
2 An act relating to public records; creating s. 893.056,
3 F.S.; exempting from public records requirements
4 information and records reported to the Department of
5 Health under the electronic monitoring system for
6 prescription of controlled substances listed in Schedules
7 II-IV; authorizing certain persons and entities access to
8 patient-identifying information; providing guidelines for
9 the use of such information and penalties for violations;
10 providing for future legislative review and repeal;
11 providing a finding of public necessity; providing a
12 contingent effective date.

13
14 Be It Enacted by the Legislature of the State of Florida:

15
16 Section 1. Section 893.056, Florida Statutes, is created
17 to read:

18 893.056 Public records exemption for the electronic-
19 monitoring system for prescription of controlled substances
20 listed in Schedule II, Schedule III, or Schedule IV.--

21 (1) Identifying information, including, but not limited
22 to, the name, address, phone number, insurance plan number,
23 social security number or government-issued identification
24 number, provider number, Drug Enforcement Administration number,
25 or any other unique identifying number of a patient, patient's
26 agent, health care practitioner, pharmacist, pharmacist's agent,
27 or pharmacy which is contained in records held by the Department
28 of Health or any other agency as defined in s. 119.011(2) under

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2008

29 s. 893.055, the electronic-monitoring system for prescription of
30 controlled substances, is confidential and exempt from s.
31 119.07(1) and s. 24(a), Art. I of the State Constitution.

32 (2) The Department of Health shall disclose such
33 confidential and exempt information to:

34 (a) The Agency for Health Care Administration when it has
35 initiated a review of specific identifiers of Medicaid fraud and
36 abuse.

37 (b) A criminal justice agency, as defined in s.
38 119.011(4), which enforces the laws of this state or the United
39 States relating to controlled substances and which has initiated
40 an active investigation involving a specific violation of law.

41 (c) A practitioner as defined in s. 893.02(19), or an
42 employee of the practitioner who is acting on behalf of and at
43 the direction of the practitioner, who requests such information
44 and certifies that the information is necessary to provide
45 medical treatment to a current patient in accordance with s.
46 893.05.

47 (d) A pharmacist as defined in s. 465.003(10), or a
48 pharmacy intern or pharmacy technician who is acting on behalf
49 of and at the direction of the pharmacist, who requests such
50 information and certifies that the requested information will be
51 used to dispense controlled substances to a current patient in
52 accordance with s. 893.04.

53 (e) A patient who is identified in the record upon a
54 written request for the purpose of verifying that information.

55 (3) Any agency that obtains such confidential and exempt
56 information pursuant to this section must maintain the

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57 confidential and exempt status of that information; however, the
58 Agency for Health Care Administration or a criminal justice
59 agency that has lawful access to such information may disclose
60 confidential and exempt information received from the Department
61 of Health to a criminal justice agency as part of an active
62 investigation of a specific violation of law.

63 (4) Any person who willfully and knowingly violates this
64 section commits a felony of the third degree, punishable as
65 provided in s. 775.082 or s. 775.083.

66 (5) This section is subject to the Open Government Sunset
67 Review Act in accordance with s. 119.15 and shall stand repealed
68 on October 2, 2013, unless reviewed and saved from repeal
69 through reenactment by the Legislature.

70 Section 2. The Legislature finds that it is a public
71 necessity that personal identifying information of a patient, a
72 practitioner as defined in s. 893.02(19), Florida Statutes, or a
73 pharmacist as defined in s. 465.003(10), Florida Statutes,
74 contained in records that are reported to the Department of
75 Health under s. 893.055, Florida Statutes, the electronic-
76 monitoring system for prescription of controlled substances, be
77 made confidential and exempt from disclosure. Information
78 concerning the prescriptions that a patient has been prescribed
79 is a private, personal matter between the patient, the
80 practitioner, and the pharmacist. Nevertheless, reporting of
81 prescriptions on a timely and accurate basis by practitioners
82 and pharmacists will ensure the ability of the state to review
83 and provide oversight of prescribing and dispensing practices.
84 Further, the reporting of this information will facilitate

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85 investigations and prosecutions of violations of state drug laws
86 by patients, practitioners, or pharmacists, thereby increasing
87 compliance with those laws. However, if in the process the
88 information that would identify a patient is not made
89 confidential and exempt from disclosure, any person could
90 inspect and copy the record and be aware of the patient's
91 prescriptions. The availability of such information to the
92 public would result in the invasion of the patient's privacy. If
93 the identity of the patient could be correlated with his or her
94 prescriptions, it would be possible for the public to become
95 aware of the diseases or other medical concerns for which a
96 patient is being treated by his or her physician. This knowledge
97 could be used to embarrass or to humiliate a patient or to
98 discriminate against him or her. Requiring the reporting of
99 prescribing information, while protecting a patient's personal
100 identifying information, will facilitate efforts to maintain
101 compliance with the state's drug laws and will facilitate the
102 sharing of information between health care practitioners and
103 pharmacists, while maintaining and ensuring patient privacy.
104 Additionally, exempting from disclosure the personal identifying
105 information of practitioners will ensure that an individual will
106 not be able to "doctor-shop," that is to determine which
107 practitioners prescribe the highest amount of a particular type
108 of drug and to seek those practitioners out in order to increase
109 the likelihood of obtaining a particular prescribed substance.
110 Further, protecting personal identifying information of
111 pharmacists ensures that an individual will not be able to
112 identify which pharmacists dispense the largest amount of a

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113 particular substance and target that pharmacy for robbery or
114 burglary. Thus, the Legislature finds that personal identifying
115 information of a patient, a practitioner as defined in s.
116 893.02(19), Florida Statutes, or a pharmacist as defined in s.
117 465.003(10), Florida Statutes, contained in records reported
118 under s. 893.055, Florida Statutes, must be confidential and
119 exempt from disclosure.

120 Section 3. This act shall take effect July 1, 2008, if
121 House Bill 1011, or similar legislation establishing an
122 electronic system to monitor the prescribing of controlled
123 substances, is adopted in the same legislative session or an
124 extension thereof and becomes law.

By Senator Atwater

25-02553-08

20082724

1 A bill to be entitled
2 An act relating to controlled substances; creating s.
3 893.055, F.S.; providing definitions; requiring the
4 Department of Health to establish an electronic system to
5 monitor the prescribing and dispensing of controlled
6 substances listed in Schedule II, Schedule III, or
7 Schedule IV in two counties; requiring the department to
8 implement the expansion of the system to the remaining
9 counties in the state; requiring the dispensing of such
10 controlled substances to be reported through the system;
11 providing reporting requirements; specifying circumstances
12 under which a pharmacy is exempt from participation in the
13 pilot project; requiring certain pharmacists or
14 practitioners to submit information in a certain format;
15 providing a penalty; requiring that the department and
16 regulatory boards adopt rules; requiring that all costs
17 incurred by the department be paid through a grant;
18 providing an effective date.

19
20 Be It Enacted by the Legislature of the State of Florida:

21
22 Section 1. Section 893.055, Florida Statutes, is created to
23 read:

24 893.055 Electronic-monitoring system for prescription of
25 controlled substances listed in Schedule II, Schedule III, or
26 Schedule IV.--

27 (1) As used in this section, the term:

28 (a) "Department" means the Department of Health.

25-02553-08

20082724__

29 (b) "Pharmacy" means any pharmacy subject to licensure or
30 regulation by the department pursuant to chapter 465 which
31 dispenses or delivers a controlled substance included on Schedule
32 II, Schedule III, or Schedule IV to a patient in this state.

33 (2) By June 30, 2009, the department shall design and
34 establish an electronic system consistent with standards of the
35 American Society for Automation in Pharmacy to monitor the
36 prescribing of controlled substances listed in Schedule II,
37 Schedule III, or Schedule IV by health care practitioners and the
38 dispensing of such controlled substances to an individual by a
39 pharmacy permitted or registered by the Board of Pharmacy. Phase
40 one of the system shall be implemented in two geographic areas.
41 One site shall include only Broward County. A second site shall
42 include Palm Beach County. By June 30, 2010, the department shall
43 implement expansion of the program to include the remaining
44 counties of the state in accordance with a plan developed by the
45 department.

46 (3) Each time a controlled substance listed in Schedule
47 II, Schedule III, or Schedule IV is dispensed to an individual,
48 the controlled substance must be reported to the department
49 through the system as soon thereafter as possible, but not more
50 than 35 days after the date the controlled substance is
51 dispensed. A pharmacy or dispensing practitioner may meet the
52 reporting requirements of this section by providing to the
53 department in written or any electronic or magnetic format,
54 including, but not limited to, electronic submission via the
55 Internet or magnetic disc or tape, each controlled substance
56 listed in Schedule II, Schedule III, or Schedule IV which it
57 dispenses.

25-02553-08

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- 58 (4) This section does not apply to controlled substances:
 59 (a) Administered by a health care practitioner directly
 60 to a patient.
 61 (b) Dispensed by a health care practitioner authorized to
 62 prescribe controlled substances directly to a patient and limited
 63 to an amount adequate to treat the patient for a period of not
 64 more than 72 hours.
 65 (c) Dispensed by a health care practitioner or a
 66 pharmacist to an inpatient of a facility that holds an
 67 institutional pharmacy permit.
 68 (d) Ordered from an institutional pharmacy permitted
 69 under s. 465.019 in accordance with the institutional policy for
 70 such controlled substances or drugs.
 71 (e) Dispensed by a pharmacist or administered by a
 72 health care practitioner to a patient or resident receiving care
 73 from a hospital, nursing home, assisted living facility, home
 74 health agency, hospice, or intermediate care facility for the
 75 developmentally disabled which is licensed in this state.
 76 (5) The data required to be reported under this section
 77 shall be determined by the department by rule but may include any
 78 data required under s. 893.04.
 79 (6) A practitioner or pharmacist who dispenses a
 80 controlled substance listed in Schedule II, Schedule III, or
 81 Schedule IV must submit the information required by this section
 82 in an electronic or other format approved by rule of the
 83 department. The cost to the dispenser in submitting the
 84 information required by this section may not be material or
 85 extraordinary. Costs not considered to be material or
 86 extraordinary include, but are not limited to, regular postage,

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87 compact discs, zip-drive storage, regular electronic mail,
88 magnetic tapes, diskettes, and facsimile charges. The information
89 submitted to the department under this section may be transmitted
90 to any person or agency authorized to receive it pursuant to
91 chapter 119, and that person or agency may maintain the
92 information received for up to 24 months before purging the
93 information from its records. All transmissions required by this
94 subsection must comply with relevant privacy and security laws of
95 the state and federal government. However, any authorized agency
96 receiving such information may maintain it for longer than 24
97 months if the information is pertinent to an ongoing
98 investigation or prosecution.

99 (7) Any person who knowingly fails to report the
100 dispensing of a controlled substance listed in Schedule II,
101 Schedule III, or Schedule IV as required by this section commits
102 a misdemeanor of the first degree, punishable as provided in s.
103 775.082 or s. 775.083.

104 (8) The department and the regulatory boards for the
105 health care practitioners subject to this section shall adopt
106 rules pursuant to ss. 120.536(1) and 120.54 to administer this
107 section.

108 (9) All costs incurred by the department in administering
109 the prescription-monitoring system shall be through a grant
110 applied for by the county or the state. The department and local
111 government shall cooperate in seeking grant funds at no cost to
112 the department.

113 Section 2. This act shall take effect July 1, 2008.

By Senator Atwater

25-03790A-08

20082782__

A bill to be entitled

An act relating to public records; creating s. 893.056, F.S.; exempting from public-records requirements information and records reported to the Department of Health under the electronic monitoring system for prescription of controlled substances listed in Schedules II-IV; authorizing certain persons and entities access to patient-identifying information; providing guidelines for the use of such information and penalties for violations; providing for future legislative review and repeal; providing a finding of public necessity; providing a contingent effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 893.056, Florida Statutes, is created to read:

893.056 Public-records exemption for the electronic-monitoring system for prescription of controlled substances listed in Schedule II, Schedule III, or Schedule IV.--

(1) Identifying information, including, but not limited to, the name, address, phone number, insurance plan number, social security number or government-issued identification number, provider number, Drug Enforcement Administration number, or any other unique identifying number of a patient, patient's agent, health care practitioner, pharmacist, pharmacist's agent, or pharmacy which is contained in records held by the Department of Health or any other agency as defined in s. 119.011(2) under s. 893.055, the electronic-monitoring system for prescription of

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20082782

30 controlled substances, is confidential and exempt from s.
31 119.07(1) and s. 24(a), Art. I of the State Constitution.

32 (2) The Department of Health shall disclose such
33 confidential and exempt information to:

34 (a) The Agency for Health Care Administration when it has
35 initiated a review of specific identifiers of Medicaid fraud and
36 abuse.

37 (b) A criminal justice agency, as defined in s. 119.011(4),
38 which enforces the laws of this state or the United States
39 relating to controlled substances and which has initiated an
40 active investigation involving a specific violation of law.

41 (c) A practitioner as defined in s. 893.02(19), or an
42 employee of the practitioner who is acting on behalf of and at
43 the direction of the practitioner, who requests such information
44 and certifies that the information is necessary to provide
45 medical treatment to a current patient in accordance with s.
46 893.05.

47 (d) A pharmacist as defined in s. 465.003(10), or a
48 pharmacy intern or pharmacy technician who is acting on behalf of
49 and at the direction of the pharmacist, who requests such
50 information and certifies that the requested information will be
51 used to dispense controlled substances to a current patient in
52 accordance with s. 893.04.

53 (e) A patient who is identified in the record upon a
54 written request for the purpose of verifying that information.

55 (3) Any agency that obtains such confidential and exempt
56 information pursuant to this section must maintain the
57 confidential and exempt status of that information; however, the
58 Agency for Health Care Administration or a criminal justice

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59 agency that has lawful access to such information may disclose
 60 confidential and exempt information received from the Department
 61 of Health to a criminal justice agency as part of an active
 62 investigation of a specific violation of law.

63 (4) Any person who willfully and knowingly violates this
 64 section commits a felony of the third degree, punishable as
 65 provided in s. 775.082 or s. 775.083.

66 (5) This section is subject to the Open Government Sunset
 67 Review Act in accordance with s. 119.15 and shall stand repealed
 68 on October 2, 2013, unless reviewed and saved from repeal through
 69 reenactment by the Legislature.

70 Section 2. The Legislature finds that it is a public
 71 necessity that personal identifying information of a patient, a
 72 practitioner as defined in s. 893.02(19), Florida Statutes, or a
 73 pharmacist as defined in s. 465.003(10), Florida Statutes,
 74 contained in records that are reported to the Department of
 75 Health under s. 893.055, Florida Statutes, the electronic-
 76 monitoring system for prescription of controlled substances, be
 77 made confidential and exempt from disclosure. Information
 78 concerning the prescriptions that a patient has been prescribed
 79 is a private, personal matter between the patient, the
 80 practitioner, and the pharmacist. Nevertheless, reporting of
 81 prescriptions on a timely and accurate basis by practitioners and
 82 pharmacists will ensure the ability of the state to review and
 83 provide oversight of prescribing and dispensing practices.
 84 Further, the reporting of this information will facilitate
 85 investigations and prosecutions of violations of state drug laws
 86 by patients, practitioners, or pharmacists, thereby increasing
 87 compliance with those laws. However, if in the process the

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88 information that would identify a patient is not made
89 confidential and exempt from disclosure, any person could inspect
90 and copy the record and be aware of the patient's prescriptions.
91 The availability of such information to the public would result
92 in the invasion of the patient's privacy. If the identity of the
93 patient could be correlated with his or her prescriptions, it
94 would be possible for the public to become aware of the diseases
95 or other medical concerns for which a patient is being treated by
96 his or her physician. This knowledge could be used to embarrass
97 or to humiliate a patient or to discriminate against him or her.
98 Requiring the reporting of prescribing information, while
99 protecting a patient's personal identifying information, will
100 facilitate efforts to maintain compliance with the state's drug
101 laws and will facilitate the sharing of information between
102 health care practitioners and pharmacists, while maintaining and
103 ensuring patient privacy. Additionally, exempting from disclosure
104 the personal identifying information of practitioners will ensure
105 that an individual will not be able to "doctor-shop," that is to
106 determine which practitioners prescribe the highest amount of a
107 particular type of drug and to seek those practitioners out in
108 order to increase the likelihood of obtaining a particular
109 prescribed substance. Further, protecting personal identifying
110 information of pharmacists ensures that an individual will not be
111 able to identify which pharmacists dispense the largest amount of
112 a particular substance and target that pharmacy for robbery or
113 burglary. Thus, the Legislature finds that personal identifying
114 information of a patient, a practitioner as defined in s.
115 893.02(19), Florida Statutes, or a pharmacist as defined in s.
116 465.003(10), Florida Statutes, contained in records reported

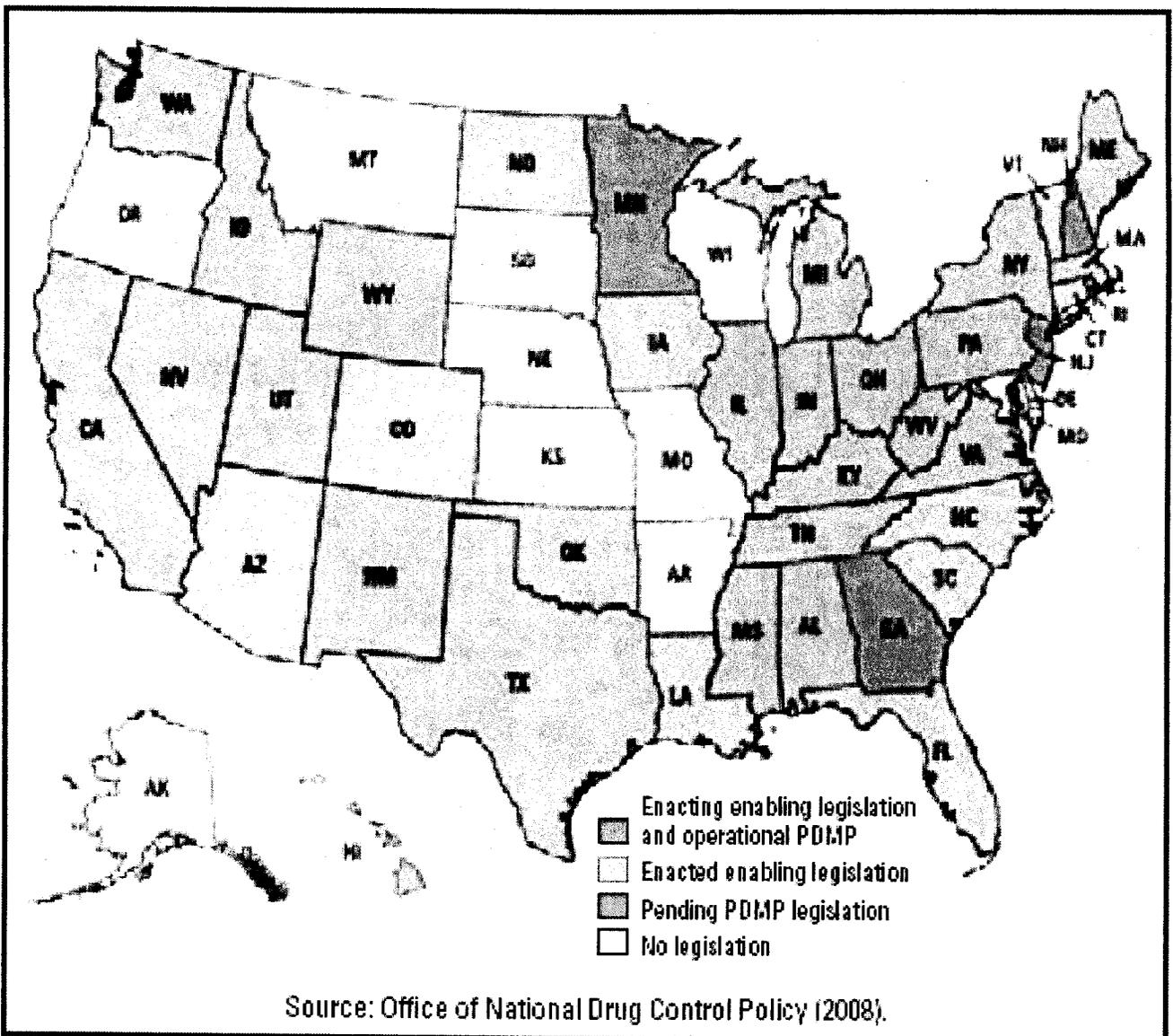
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117 under s. 893.055, Florida Statutes, must be confidential and
118 exempt from disclosure.

119 Section 3. This act shall take effect July 1, 2008, if
120 Senate Bill ____, or similar legislation establishing an
121 electronic system to monitor the prescribing of controlled
122 substances, is adopted in the same legislative session or an
123 extension thereof and becomes law.

Prescription Drug Monitoring Program Status as of January 2008





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Publications

Acquisitions & Contracts

Statewide Offices

Fort Lauderdale—954-489-1700
Fort Myers—941-275-3662
Gainesville—352-371-2077
Jacksonville—904-348-5225
Key Largo—305-852-7874
Key West—305-295-8603
Miami—305-994-4870
Naples—941-643-5550

Orlando—407-333-7000
Panama City—850-769-3407
Pensacola—850-469-9060
Port St. Lucie—561-462-3270
Tallahassee—850-942-8417
Tampa—813-287-5160
Titusville—321-264-7616
West Palm Beach—561-684-8000

State Facts

Population: 17,789,864
State Prison Population: 85,533
Probation Population: 281,170
Violent Crime Rate
National Ranking: 2

2006 Federal Drug Seizures

Cocaine: 11,120.5 kgs.
Heroin: 270.4 kgs./1 du
Methamphetamine: 33.5 kgs./1,037 du
Marijuana: 13,616.0 kgs.
Hashish: 14.3 kgs.
MDMA: 0.1 kgs./72,996 du
Methamphetamine Laboratories: 136 (DEA, state, and local)

Sources

Drug Situation: The State of Florida is a primary area for international drug trafficking and money laundering organizations, as well as a principal thoroughfare for cocaine and heroin transiting to the northeastern United States and Canada. Florida's over 8,000 miles of coastline provides virtually unlimited access and opportunities for drug trafficking organizations to use maritime conveyances to smuggle drugs. The short distance between Florida and the Bahamas also serves as a smuggling corridor along the southeast coastline. Additionally, Florida's numerous international airports and maritime ports provide traffickers with a means to smuggle drugs through the use of couriers and cargo facilities. South Florida, with its unique mix of nationalities and ties to Central and South America, is a primary domestic command and control center for Colombian narcotics traffickers and money laundering organizations. Recently, Mexican organizations have also made tremendous inroads, and are responsible for the smuggling and distribution of cocaine, methamphetamine (i.e. crystal methamphetamine) and marijuana throughout large portions of the state – from the Panhandle to as far south as Palm Beach County. Smuggling into Florida occurs via various types of maritime conveyances and cargo freighters, as well as via commercial aircraft. Additionally, the shift to ground transportation (e.g. passenger vehicle, bus and rail) as a means of transporting narcotics throughout the state continues to increase.



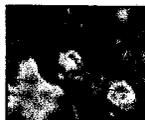
Cocaine: Cocaine is the primary drug threat within Florida. Cocaine is smuggled via a variety of conveyances, to include commercial cargo vessel, private pleasure craft, cargo and passenger aircraft, and automobiles. Cocaine originates from South America and arrives in Florida directly from those sources, or via the U.S. Southwest Border



with Mexico. Recently there has been a noted increase in Mexican organizations transporting and distributing large quantities of cocaine from Mexico to as far south as Palm Beach County. Cocaine originating directly from South American sources, as opposed to the U.S. Southwest Border, is destined for distribution to the eastern United States and Canada. The DEA Miami Field Division's Nassau County is in a pivotal position in that the Bahamas archipelago is a major transportation route used by trafficking organizations to smuggle cocaine across the Caribbean corridor via vessels, ranging from go fast to sports fishing types. Bimini is merely a short distance of 45 miles from the southeast Florida coastline and Freeport lies 60 miles from West Palm Beach.

After the cocaine is smuggled into Florida, some is consumed locally within Miami, but the majority is destined for distribution to other areas of the state and outside Florida. A local market exists for cocaine in the Fort Lauderdale and West Palm Beach areas, but much is designated for conversion into crack. On the west coast of Florida, Miami sources account for a portion of the cocaine found from Naples to the Tampa Bay area. Recently, sources from Mexico are transporting cocaine overland from the Southwest Border states into the Tampa Bay area. Cocaine is available in northern Florida, primarily from Mexican sources, but demand is mainly for the conversion into crack. Cocaine hydrochloride (HCl) is available throughout Florida from the gram to kilogram level. According to the 2006 Interim (January–June) Report of the Florida Medical Examiners, Jacksonville had the highest reported incidents of cocaine-related deaths (119 total), followed by West Palm Beach (90) and Orlando (84).

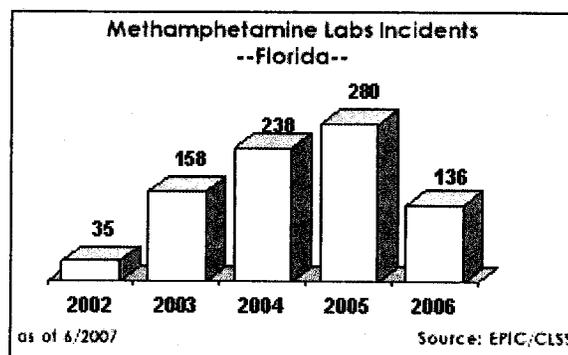
Crack Cocaine: Miami remains the primary source of cocaine HCl procured by crack cocaine trafficking organizations for transport and conversion within their areas. Mexican organizations have especially made inroads in north and central Florida. Drug trafficking organizations dealing in crack cocaine have been identified in Orlando, Gainesville, Fort Myers, Jacksonville, Fort Pierce and West Palm Beach, thus demonstrating the availability of crack throughout Florida. Each of these areas has organizations capable of conducting crack cocaine conversion operations. African American and Haitian traffickers, as well as street gang members, continue to dominate crack distribution throughout Florida. Distribution generally centers around public housing developments and inner city areas. Organizations typically employ minors as lookouts and runners, who re-supply the street dealers from stash locations.



Heroin: South Florida is a primary U.S. point of entry for South American heroin. Miami International Airport is the main importation venue for heroin, which is secreted by couriers or in air freight shipments. In many instances, heroin is commingled with cocaine shipments and smuggled through legitimate cargo, such as flowers originating from Colombia. Cruise ship passengers and crewmembers are also being utilized to smuggle heroin into South Florida and this is generally done via body carrying methods. The majority of the heroin entering Florida is destined for markets along the east coast of the U.S., as Florida does not have a significant heroin abuse problem. The highest concentration of heroin use in Florida is in the Orlando area. Heroin is a dominant threat there and the majority of the heroin in central Florida is South American in origin. Heroin in southwest Florida and the Tampa area originates from sources in Miami, Orlando and New York City. Most heroin distribution and transportation organizations have ties to Colombia and New York, and are active throughout Florida. Once the heroin enters Florida, it is transported out of state via automobiles, buses and trains to the northeast U.S. Although Florida does not have a high heroin abuse population, the 2006 Interim (January–June) Report of the Florida Medical Examiners reports that Fort Lauderdale had the highest reported incidents of heroin-related deaths (9 total), followed by Miami (5) and St. Petersburg (3).

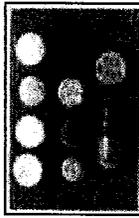


Methamphetamine: Methamphetamine has impacted the majority of Florida's 67 counties and use is widespread. The 2006 Interim (January–June) Report of the Florida Medical Examiners reports there were 58 methamphetamine-related deaths throughout the state. Methamphetamine is transported into Florida in multi-pound increments by Mexican drug trafficking organizations based along the Southwest Border and California. Methamphetamine produced in super labs in Texas and California transits into Florida along the Interstate-10 corridor. A new trend has recently emerged which is the distribution of crystal methamphetamine from Atlanta area sources. Crystal methamphetamine, with high purity levels, is transported from Atlanta into northern Florida and then distributed throughout the state. There has been a significant increase in crystal methamphetamine use within the South Florida club scene.



Methamphetamine labs became a growing threat within Florida in the past five years. Methamphetamine labs inundated the state starting in FY 2002, when there were 129 labs to FY 2006, when there were 245 labs. The majority of the labs are small-scale, producing gram amounts up to a maximum of 1-2 ounces per cook. But the dangers lie not simply in the quantity produced so much as the number of labs and the consequences derived from them. Most labs are set up anywhere and are almost always portable. They have been found and seized in mobile homes, hotel rooms, outdoor areas and near schools. In the past, methamphetamine labs were concentrated in

west central Florida, around Tampa. But in the preceding three years a shift to northern Florida and the Panhandle occurred. Most recently, the central part of the state is experiencing an increased threat, but whereas before it was mainly in the Tampa area, it now extends east towards Orlando, and specifically Brevard County.



MDMA and Club Drugs: MDMA is the most readily available dangerous drug throughout Florida. MDMA is found at clubs and rave parties in all parts of Florida, and is frequently used in conjunction with other illegal and/or prescription drugs. MDMA is also found in higher amounts in areas with large populations of university/college students and during "spring break" events. LSD remains available in Florida; however, seizures are rare. GHB is also available, especially in and around colleges and universities. GHB is commonly abused in Florida, as well as two precursors - GBL and Butanediol (BD).



Marijuana: Marijuana cultivation has become a lucrative business in Florida, especially indoor grow operations. These marijuana grows exist all over the state and are found in residential and rural areas in equal amounts. Numerous grow operations have been seized in South Florida and southwest Florida. Indoor cultivation has also risen in northern Florida. In the past several years, eradication efforts and weather patterns moved growers indoors. Additionally, within the state there are numerous supply stores that legally sell hydroponics agricultural equipment which is then utilized for marijuana cultivation. Domestically grown marijuana in Florida is coveted by users because the quality of the marijuana exceeds that of marijuana originating from Jamaica and Mexico. BC Bud marijuana from Canada is highly popular in the northeast section of the state, and organized groups in that area import it into Jacksonville for further distribution. Marijuana smuggled from the Bahamas is a significant problem as well. Caribbean polydrug transportation groups bring multi-pound quantities of marijuana into Florida from Caribbean locations via go fast vessels and other maritime conveyances. Marijuana is also imported into Florida from the Southwest Border. Tex/Mex marijuana is smuggled along Interstate-10 into the Panhandle.

Pharmaceutical Diversion: Unprecedented increases in levels of abuse pose a serious threat to the health and safety of Florida citizens. The Florida Medical Examiners report that five people die in Florida daily as a direct result of prescription drug overdoses. Current investigations indicate that diversion of hydrocodone (e.g. Vicodin®) and oxycodone (e.g. OxyContin®) products are a problem. Benzodiazepines (such as Xanax® and its generic alprazolam) and methadone are also identified as being among the most commonly abused and diverted pharmaceuticals in Florida. Primary methods of diversion include the Internet, illegal sale and distribution by health care professionals and workers, "doctor shopping," forged prescriptions and employee theft. Florida has emerged as a center for Internet holding companies which organize (and sometimes control) websites, physicians, pharmacies, and even pharmaceutical wholesalers. The Tampa area has become "ground zero" for Internet diversion.

Money Laundering: South Florida, especially Miami, is considered the gateway to Latin America. As such, there are assorted banking industries and commercial businesses that specifically cater to Latin markets. These are prime facilitators for money laundering activities. Money laundering in the South Florida area can be as basic as sending money via money remitter businesses back to source countries, or as elaborate as setting up numerous bank accounts and other financial-type accounts to enable the transfer of funds into and outside the U.S. Organizations utilizing the Black Market Peso Exchange system to launder money continue to operate in Florida, particularly in South Florida. Organizations utilizing this system receive large sums of money from various individuals as payment for products they sell. The majority of the merchandise is then exported to Colombia, with portions sometimes sent to other countries. Some of the businesses involved in the sale of merchandise have been identified by law enforcement as being exporters of bulk currency to Colombia. Bulk currency shipments remain a common method of laundering narcotics proceeds from the United States back to source countries. On average, currency amounts range from \$10,000 to \$1 million, and are often delivered to businesses for shipment in legitimate exported cargo. Many bulk currency seizures are made at agriculture and weigh stations, especially in northern Florida, where bulk amounts are concealed and transported in trucks, trailers and car carriers. Another common method of money laundering remains the use of wire transfers. Drug proceeds are electronically moved from place to place or layered to obscure the origin of the funds and the currency is then reintroduced as "clean" for trafficker use.



Special Topics: In order to combat the growing problem of pharmaceutical drug diversion in Florida, the DEA Miami Field

Drug-Violation Arrests --Florida--		Source: DEA as of: 2/2007	
2,757	2,657	2,840	2,877

Division joined with the Florida Department of Law Enforcement (FDLE) and the Florida Office of the Attorney General to establish Diversion Response Teams (DRT) throughout the state. The DRT is a task force-like interagency group of individuals working in Miami, Fort Lauderdale, Orlando, Tallahassee, Tampa, Jacksonville, Fort Myers and Pensacola. The DRTs are comprised of DEA diversion investigators and special agents, and sworn personnel from FDLE, the Florida Medicaid Fraud Control Unit and local police agencies. Targets of mutual interest are identified based on intelligence from existing investigations, sources and databases. The DRT teams focus on significant pharmaceutical diverters and diversion via the Internet.

DEA Mobile Enforcement Teams: This cooperative program with state and local law enforcement counterparts was conceived in 1995 in response to the overwhelming problem of drug-related violent crime in towns and cities across the nation. Since the inception of the MET Program, 473 deployments have been completed nationwide, resulting in 19,643 arrests. There have been 34 MET deployments in the State of Florida since the inception of the program: Ft. Pierce (3), Collier County, Opa Locka, Hendry County, Hardee County, Riviera Beach (2), Ft. Lauderdale, Highland County, Kissimmee, Lake Worth, Sumter County, Seminole County, Live Oak, Homestead, Sarasota, South Miami, Florida City, North Miami Beach, Franklin County, Key West (2), Fernandina Beach, Delray/Boca Raton, West Palm Beach, Lee County, Lauderhill, Columbia County, Lake County/Clermont, Hallandale Beach, Orange County, and Ft. Meyers.

DEA Regional Enforcement Teams: This program was designed to augment existing DEA division resources by targeting drug organizations operating in the United States where there is a lack of sufficient local drug law enforcement. This Program was conceived in 1999 in response to the threat posed by drug trafficking organizations that have established networks of cells to conduct drug trafficking operations in smaller, non-traditional trafficking locations in the United States. As of January 31, 2005, there have been 27 deployments nationwide, and one deployment in the U.S. Virgin Islands, resulting in 671 arrests. There have been no RET deployments in the State of Florida.

More information about the Miami Division Office.

Sources

Factsheet last updated: 6/2007



Pharmaceutical Drugs

Overview

Over the past several years, pharmaceutical abusers typically acquired the drugs through doctor-shopping, forged prescriptions, or unscrupulous physicians and pharmacists working alone or in association; however, many of these individuals have been dissuaded from using these methods because of prescription monitoring programs (PMPs)¹⁹ and increased law enforcement scrutiny. As a result, more abusers have shifted to other means of obtaining pharmaceuticals such as theft, purchases from Internet pharmacies, or acquisitions from retail distributors.

Strategic Findings

- Pharmaceutical drug abusers in a growing number of states are having greater difficulty in acquiring drugs through prescription forgery, doctor-shopping, or indiscriminate prescribing.
- Criminal groups and abusers occasionally steal pharmaceutical drugs from delivery trucks that transport the drugs from manufacturers to wholesale or retail distributors.
- The number of Internet pharmacies selling controlled and noncontrolled pharmaceutical drugs has increased.
- Methadone-related deaths and overdoses have increased sharply since the 1990s.
- Parents are less likely to talk to their children about the dangers of prescription drug abuse than they are about heroin, cocaine, crack, MDMA, marijuana, or alcohol abuse.

Pharmaceutical drug abusers in a growing number of states are having greater difficulty in acquiring drugs through prescription forgery, doctor-shopping, or indiscriminate prescribing. The number of states that have implemented PMPs to track prescriptions through traditional pharmacies has increased sharply, making the illegal acquisition of controlled pharmaceuticals much more difficult. Although several states have maintained some form of prescription monitoring for many decades, more effective electronic statewide programs began to be implemented in 2000. Since that time several states have implemented statewide PMPs to reduce prescription forgery, doctor-shopping, and indiscriminate prescribing by physicians. Sixteen states had implemented such programs by 2002, and by 2007, 24 states had implemented some form of a statewide PMP.

Criminal groups and abusers occasionally steal pharmaceutical drugs from delivery trucks that transport the drugs from manufacturers to wholesale or retail distributors. According to DEA, organized criminal groups occasionally target tractor-trailers transporting large shipments of controlled and noncontrolled pharmaceuticals from manufacturers to wholesale distributors and, more commonly, local courier trucks transporting the drugs to retail distributors such as pharmacies. DEA reporting suggests that thefts from tractor-trailers may be decreasing as thefts from smaller courier trucks increase. Although these thefts are infrequent and not currently considered a great threat, increased targeting of courier trucks is a concern. Investigators believe that tractor-trailer thefts have decreased in favor of courier truck thefts because small criminal groups are better able to target smaller trucks.

¹⁹ Prescription monitoring programs (PMPs) are systems in which controlled substance prescription data are collected in a centralized database and administered by an authorized state agency to facilitate the early detection of trends in diversion and abuse.

Table 12. Number of National Methadone-Related Deaths, 1999–2004

	1999	2000	2001	2002	2003	2004
Methadone-related deaths	786	988	1,456	2,360	2,974	3,849

Source: National Center for Health Statistics.

Table 13. Number of Methadone-Related Deaths in Select States, 2005–2006

	Florida	Kentucky	Maryland	New Mexico	North Carolina
2005	934	192	141	34	318
2006	974	197	179	47	325
Percentage change	4.28	2.60	26.95	38.24	2.20

Source: Florida Department of Law Enforcement Medical Examiner's Commission; Kentucky Office of State Medical Examiner; Maryland Office of State Medical Examiner; New Mexico Department of Health; North Carolina Office of the Chief Medical Examiner.

The number of Internet pharmacies selling controlled and noncontrolled pharmaceutical drugs has increased. The number of Internet pharmacies established since 2002 and particularly since 2005 has increased sharply. According to a study by the National Center on Addiction and Substance Abuse (CASA) at Columbia University, the number of Internet sites (pharmacies) offering Schedules II through V controlled prescription drugs increased 70 percent from 342 in 2006 to 581 in 2007. The study determined that 32 percent (187 of 581) of the sites were "anchor sites" (sites at which the customer could place an order and pay for the drugs), and the remaining 394 were simply portal sites that directed customers to the anchor sites. Of the anchor sites, 84 percent (157 of 187) did not require a prescription to purchase the drugs. Of the 30 sites that required a prescription, 57 percent (17 of 30) accepted a faxed prescription, increasing the risk of multiple use of one prescription or use of fraudulent prescriptions.

Methadone-related deaths and overdoses have increased sharply since the 1990s. According to the National Center for Health Statistics (NCHS), fatal overdoses involving methadone increased 390 percent from 1999 (786) to 2004 (3,849), the most recent national-level data available (see Table 12). Although national-level

data are available only through 2004, analyses of state-level data in states with traditionally high rates of methadone-related deaths suggest that this trend has continued. For example, methadone-related deaths increased in 2005 and 2006 in Florida, Kentucky, Maryland, New Mexico, and North Carolina (see Table 13)—states in which methadone-related deaths have been relatively high for several years. Legitimate distribution of methadone also increased during this period, and the increase in methadone-related deaths appears to correspond closely with the increase in legitimate disbursements. Legitimate disbursement of methadone to pharmacies, hospitals, teaching institutions, and practitioners increased approximately 487 percent from 1999 (approximately 965,000 grams) through 2004 (over 4.7 million grams), and methadone-related deaths increased 390 percent. The cause of the increased number of methadone-related overdose deaths is multifaceted. These data indicate that in addition to methadone being used as treatment for heroin or other opiate addiction and for pain maintenance, some individuals may be seeking out the drug for abuse as it becomes more widely available. In addition, a new form of methadone (a 40-milligram diskette) intended for treatment of heroin and opiate addiction is sometimes inappropriately prescribed for pain maintenance, which may be contributing to some methadone overdoses.



Table 14. Percentages of Parents Who Discuss the Dangers of Drug Abuse “a lot” With Their Children, 2006

The percentage of parents discussing the dangers of prescription drug abuse is lower than the percentage discussing any other surveyed drug, except for MDMA.

Drugs in general	79.2
Cigarettes	67.0
Alcohol	69.4
Marijuana	69.7
Heroin/cocaine/crack	53.9
Nonprescription cold or cough medicines to get high	36.2
Prescription medicine that is not prescribed by a doctor to get high	32.8
MDMA	30.0

Source: Partnership Attitude Tracking Study.

Parents are less likely to talk to their children about the dangers of prescription drug abuse than they are about heroin, cocaine, crack, MDMA, marijuana, or alcohol abuse. Although the dangers of prescription drug abuse are generally understood by parents, and rates of use for prescription drugs are higher than those for most other major drugs of abuse, relatively few parents discuss prescription drug abuse with their teenage children. According to Partnership Attitude Tracking Study (PATS) data for 2006, 81.5 percent of parents perceive abuse of prescription drugs to be a growing problem among teenagers, yet only 36.2 percent of parents discuss with their children the dangers of using prescription drugs to get high—a lower percentage than for other major drugs of abuse or alcohol (see Table 14). PATS 2005 teen data (the latest data available) also show that 44 percent of adolescents in grades 7 through 12 did not perceive a great risk in trying pain relievers such as Vicodin (hydrocodone) or OxyContin (oxycodone) that a doctor did not prescribe for them. When the teens who reported using nonprescribed pain relievers were asked their reasons for using the drugs, 62 percent said that the drugs were easy to get from their parents' medicine cabinets, 51 percent said that

the drugs were not “illegal” drugs, and 49 percent said that they could claim they had a prescription if caught with the drugs, according to PATS.

Intelligence Gaps

The extent to which high rates of both legitimate use and abuse of prescription drugs affects rates of use for illegal drugs such as heroin, cocaine, and methamphetamine is unclear. Law enforcement reporting indicates that some prescription narcotics abusers switch to heroin when prescription narcotics are unavailable. Moreover, according to an Ohio Substance Abuse Monitoring (OSAM) study of heroin abusers between the ages of 18 and 30 in Ohio, 65 percent of the participants report having been addicted to prescription opioids before abusing heroin. Although some studies (such as the OSAM study) suggest that the use of prescription drugs may predispose an individual to illegal drug use, other studies are inconclusive, and some suggest that prescription drug use may actually reduce occurrences of “self-medicating” with illegal drugs. Notwithstanding several seemingly conflicting studies, national-level demand studies seem to show little direct correlation. For example, Monitoring the Future (MTF) data show that from 2000 through

2006, rates of past year abuse for prescription narcotics, sedatives, and tranquilizers among twelfth graders were relatively stable overall (see Table 2 in Appendix C). However, during that same period past year rates of use for cocaine, crack, heroin, marijuana, methamphetamine, and MDMA decreased overall among twelfth graders. Similarly, NSDUH data show that from 2002 through 2006, rates of past year prescription narcotics abuse among individuals 12 and older increased, while rates of abuse for cocaine, crack, heroin, marijuana, methamphetamine, and MDMA either remained stable or declined (see Table 1 in Appendix C).

Predictive Estimates

Law enforcement will most likely be challenged to monitor a growing number of foreign-based Internet pharmacies as Americans become more accustomed to acquiring their drugs from such sources. According to a Pharmaceutical Research and Manufacturers of America (PhRMA) survey released in June 2007,

approximately 5.4 million adults in the United States (2.5% of the population) have purchased prescription drugs from a foreign country such as Canada or Mexico in their lifetime. Moreover, approximately 50 percent of the survey respondents report that the reason they purchased drugs from another country was that they did not have a prescription for the drug(s) that they wanted. The survey further showed that 31 percent of the pharmaceutical purchases were conducted through Internet pharmacies. Furthermore, according to a 2007 CASA study, 48 percent (91 of 187) of Internet sites offering direct sales of pharmaceutical drugs to individuals indicated that the drugs would be shipped from a foreign country, while 26 percent (48 of 187) indicated that the drugs would be shipped from a U.S. pharmacy, and 26 percent (48 of 187) gave no indication of the source of the drug.

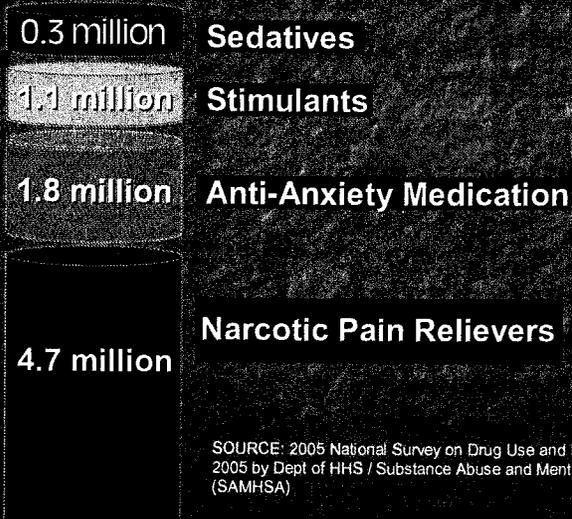
Trend in Prescription Drug Abuse

- In 2004, 19.1 million Americans were current illicit drug users (7.9% of the U.S. population)¹
- Nonmedical use of prescription pain relievers was the illicit drug category with the largest number of new abusers (2.4 million)¹
- Nonmedical use of prescription drugs ranks second only to marijuana as the most prevalent category of drug abuse¹
- 25% of emergency department visits associated with non-medical use of pharmaceuticals²

¹ SOURCE: 2004 National Survey on Drug Use and Health (NSDUH) published Sept 2005 by the Dept of HHS / Substance Abuse and Mental Health Services Administration (SAMHSA)

² SOURCE: 2004 DAWN (Drug Abuse Warning Network) Report published May 2006

In 2005, 6.4 million Americans Age 12+ used a prescription drug for non-medical purposes in past month



SOURCE: 2005 National Survey on Drug Use and Health (NSDUH), published Sept 2005 by Dept of HHS / Substance Abuse and Mental Health Services Administration (SAMHSA)

2005 Partnership and Attitude Study (PATS)*

- Alarming number of teens have a false sense of security about the safety of abusing prescription medications
- 19% of teens report abusing prescription medications to get high
- 40% believe that prescription medicines are "much safer" to use than illegal drugs
- 31% believe there's "nothing wrong" with using prescription medicines without a prescription "once in a while"
- 29% believe prescription pain relievers are not addictive

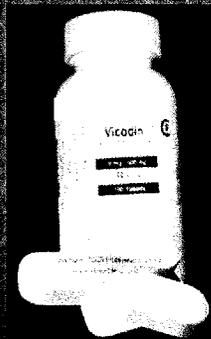
*18th annual study of teen drug use and attitudes
Released in April 2006 by The Partnership for a Drug-Free America

Methods of Diversion

- Rogue Internet "Pharmacies"
- Inappropriate prescribing
- Illegal sales
- Employee theft
- Prescription rings
- Doctor shopping
- Fraudulent prescriptions
- Pharmacy theft
- Foreign diversion and smuggling into the U.S.
- "Pharming"

Hydrocodone

- Vicodin®, Lortab®, Lorcet®
- DEA Diversion Drug Trend Report identifies hydrocodone as the most commonly diverted and abused controlled pharmaceutical in the U.S.
- 2004 – United States used 99% of the global hydrocodone supply*
- Approximately 125 million hydrocodone prescriptions were dispensed in U.S. in 2005**



* 2005 INCB report
**IMS data

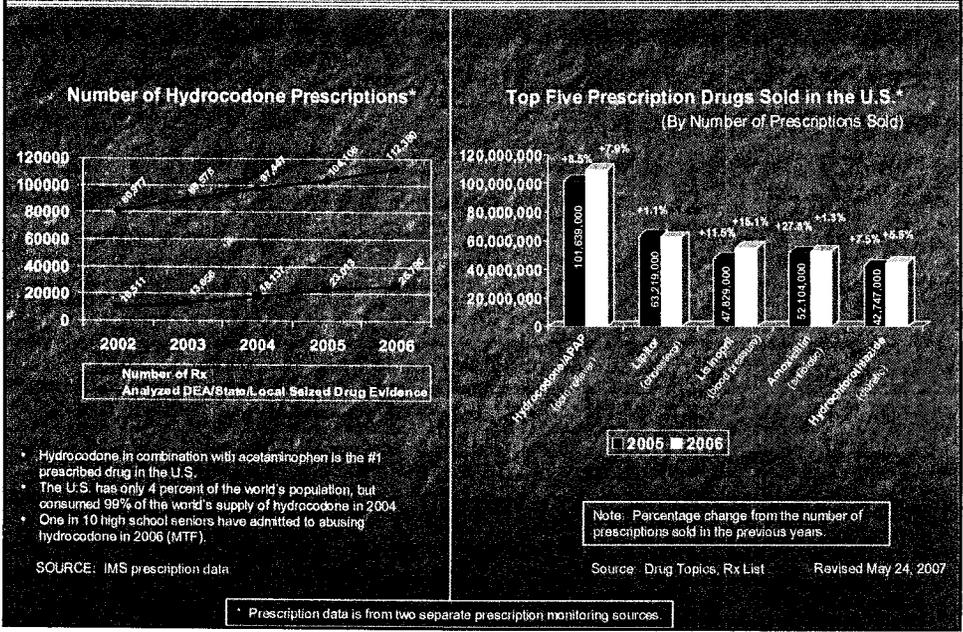
Hydrocodone Situation

- Hydrocodone products are the most frequently prescribed drug in the U.S.
- Comparable 2005 data shows that hydrocodone was prescribed three times more frequently than any other controlled substance*
- Hydrocodone is the most frequently encountered pharmaceutical in submissions of evidence to federal, state and local labs**
- DAWN 2005 data – from 2004-2005 emergency department visits involving nonmedical use of opiate/opioid pain medications increased 24% overall
- The Aggregate Production Quota for hydrocodone has increased 100% since 2000 (21,417 kg to 42,000 kg)

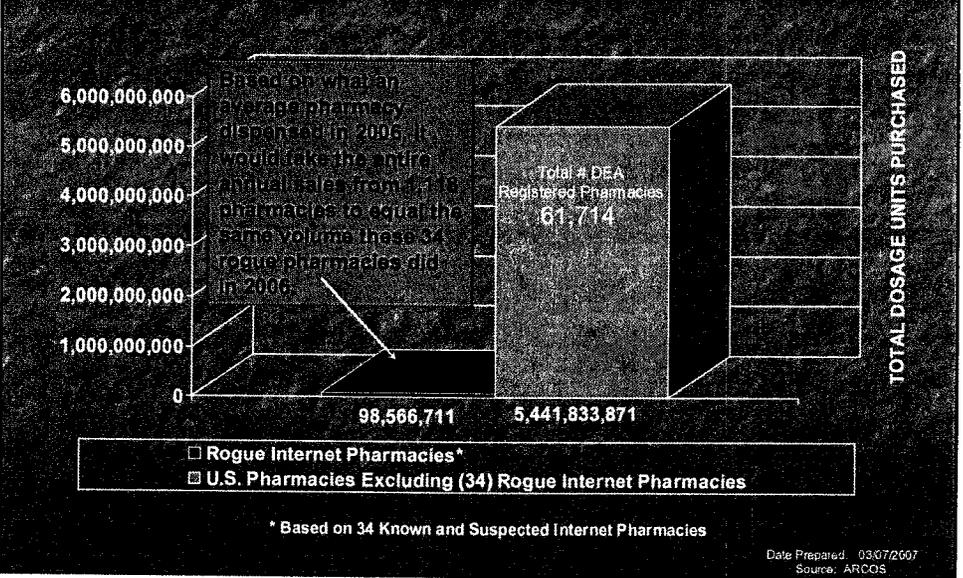
* RxList data

** STRIDE / NFLIS data

Prescription Drug Trends



Comparison of CY2006 Purchases of Hydrocodone by Pharmacies



Schedule II

Substance	DEA Number	Non Narcotic	Other Names
1-Phenylcyclohexylamine	7460	N	Precursor of PCP
1-Piperidinocyclohexanecarbonitrile	8603	N	PCC, precursor of PCP
Alfentanil	9737		Alfenta
Alphaprodine	9010		Nisentil
Amobarbital	2125	N	Amytal, Tuinal
Amphetamine	1100	N	Dexedrine, Biphphetamine
Anileridine	9020		Leritine
Benzoyllecgonine	9180		Cocaine metabolite
Bezitramide	9800		Burgodin
Carfentanil	9743		Wildnil
Coca Leaves	9040		
Cocaine	9041		Methyl benzoyllecgonine, Crack
Codeine	9050		Morphine methyl ester, methyl morphine
Dextropropoxyphene, bulk (non-dosage forms)	9273		Propoxyphene
Dihydrocodeine	9120		Didrate, Parzone
Diphenoxylate	9170		
Diprenorphine	9058		M50-50
Ecgonine	9180		Cocaine precursor, in Coca leaves
Ethylmorphine	9190		Dionin
Etorphine HCl	9059		M 99
Fentanyl	9801		Innovar, Sublimaze, Duragesic
Glutethimide	2550	N	Doriden, Dorimide
Hydrocodone	9193		dihydrocodeinone
Hydromorphone	9150		Dilaudid, dihydromorphinone
Isomethadone	9226		Isoamidone
Levo-alphaacetylmethadol	9648		LAAM, long acting methadone, levomethadyl acetate
Levomethorphan	9210		
Levorphanol	9220		Levo-Dromoran
Meperidine	9230		Demerol, Mepergan, pethidine
Meperidine intermediate-A	9232		Meperidine precursor
Meperidine intermediate-B	9233		Meperidine precursor
Meperidine intermediate-C	9234		Meperidine precursor
Metazocine	9240		
Methadone	9250		Dolophine, Methadose, Amidone
Methadone intermediate	9254		Methadone precursor
Methamphetamine	1105	N	Desoxyn, D-desoxyephedrine, ICE, Crank, Speed
Methylphenidate	1724	N	Ritalin
Metopon	9260		
Moramide-intermediate	9802		
Morphine	9300		MS Contin, Roxanol, Duramorph, RMS, MSIR
Nabilone	7379	N	Cesamet
Opium extracts	9610		
Opium fluid extract	9620		
Opium poppy	9650		Papaver somniferum
Opium tincture	9630		Laudanum
Opium, granulated	9640		Granulated opium
Opium, powdered	9639		Powdered Opium
Opium, raw	9600		Raw opium, gum opium
Oxycodone	9143		OxyContin, Percocet, Tylox, Roxicodone, Roxicet,
Oxymorphone	9652		Numorphan
Pentobarbital	2270	N	Nembutal

Phenazocine	9715	Narphen, Prinadol
Phencyclidine	7471 N	PCP, Sernylan
Phenmetrazine	1631 N	Preludin
Phenylacetone	8501 N	P2P, phenyl-2-propanone, benzyl methyl ketone
Piminodine	9730	
Poppy Straw	9650	Opium poppy capsules, poppy heads
Poppy Straw Concentrate	9670	Concentrate of Poppy Straw, CPS
Racemethorphan	9732	
Racemorphan	9733	Dromoran
Remifentanil	9739	Ultiva
Secobarbital	2315 N	Seconal, Tuinal
Sufentanil	9740	Sufenta
Thebaine	9333	Precursor of many narcotics

Schedule III

Amobarbital & noncontrolled active ingred.	2126 N	Amobarbital/ephedrine capsules
Amobarbital suppository dosage form	2126 N	
Anabolic steroids	4000 N	"Body Building" drugs
Aprobarbital	2100 N	Alurate
Barbituric acid derivative	2100 N	Barbiturates not specifically listed
Benzphetamine	1228 N	Didrex, Inapetyl
Boldenone	4000 N	Equipoise, Parenabol, Vebonol, dehydrotestosterone
Buprenorphine	9064	Buprenex, Temgesic
Butabarbital	2100 N	Butisol, Butibel
Butalbital	2100 N	Fiorinal, Butalbital with aspirin
Chlorhexadol	2510 N	Mechloral, Mecoral, Medodorm, Chloralodol
Chlorotestosterone (same as clostebol)	4000 N	if 4-chlorotestosterone then clostebol
Chlorphentermine	1645 N	Pre-Sate, Lucofen, Apsedon, Desopimon
Clortermine	1647 N	Voranil
Clostebol	4000 N	Alfa-Trofodermin, Clostene, 4-chlorotestosterone
Codeine & isoquinoline alkaloid 90 mg/du	9803	Codeine with papaverine or noscapine
Codeine combination product 90 mg/du	9804	Empirin, Fiorinal, Tylenol, ASA or APAP w/codeine
Dehydrochlormethyltestosterone	4000 N	Oral-Turinabol
Dihydrocodeine combination product 90 mg/du	9807	Synalgos-DC, Compal
Dihydrotestosterone (same as stanolone)	4000 N	see stanolone
Dronabinol in sesame oil in soft gelatin capsule	7369 N	Marinol, synthetic THC in sesame oil/soft gelatin
Drostanolone	4000 N	Droiban, Masterid, Permastril
Ethylestrenol	4000 N	Maxibolin, Orabolin, Durabolin-O, Duraboral
Ethylmorphine combination product 15 mg/du	9808	
Fluoxymesterone	4000 N	Anadroid-F, Halotestin, Ora-Testryl
Formebolone (incorrect spelling in law)	4000 N	Esiclene, Hubernol
Hydrocodone & isoquinoline alkaloid 15 mg/du	9805	Dihydrocodeinone+papaverine or noscapine
Hydrocodone combination product 15 mg/du	9806	Tussionex, Tussend, Lortab, Vicodin, Hycodan, Anexsia ++
Ketamine	7285 N	Ketaset, Ketalar, Special K, K
Lysergic acid	7300 N	LSD precursor
Lysergic acid amide	7310 N	LSD precursor
Mesterolone	4000 N	Proviron
Methandienone (see Methandrostenolone)	4000 N	
Methandranone	4000 N	?incorrect spelling of methandienone?
Methandriol	4000 N	Sinesex, Stenediol, Troformone
Methandrostenolone	4000 N	Dianabol, Metabolina, Nerobol, Perbolin
Methenolone	4000 N	Primobolan, Primobolan Depot, Primobolan S
Methyltestosterone	4000 N	Android, Oreton, Testred, Virilon
Methypylon	2575 N	Noludar
Mibolerone	4000 N	Cheque

Morphine combination product/50 mg/100 ml or gm	9810	
Nalorphine	9400	Nalline
Nandrolone	4000 N	Deca-Durabolin, Durabolin, Durabolin-50
Norethandrolone	4000 N	Nilevar, Solevar
Opium combination product 25 mg/du	9809	Paregoric, other combination products
Oxandrolone	4000 N	Anavar, Lonavar, Provitar, Vasorome
Oxymesterone	4000 N	Anamidol, Balnimax, Oranabol, Oranabol 10
Oxymetholone	4000 N	Anadrol-50, Adroyd, Anapolon, Anasteron, Pardroyd
Pentobarbital & noncontrolled active ingred.	2271 N	FP-3
Pentobarbital suppository dosage form	2271 N	WANS
Phendimetrazine	1615 N	Plegine, Prelu-2, Bontril, Melfiat, Statobex
Secobarbital & noncontrolled active ingred	2316 N	various
Secobarbital suppository dosage form	2316 N	various
Stanolone	4000 N	Anabolex, Andractim, Pesomax, dihydrotestosterone
Stanozolol	4000 N	Winstrol, Winstrol-V
Stimulant compounds previously excepted	1405 N	Mediatric
Sulfondiethylmethane	2600 N	
Sulfonethylmethane	2605 N	
Sulfonmethane	2610 N	
Talbutal	2100 N	Lotusate
Testolactone	4000 N	Teslac
Testosterone	4000 N	Android-T, Androlan, Depotest, Delatestryl
Thiamylal	2100 N	Surital
Thiopental	2100 N	Pentothal
Tiletamine & Zolazepam Combination Product	7295 N	Telazol
Trenbolone	4000 N	Finaplix-S, Finajet, Parabolan
Vinbarbital	2100 N	Delvinal, vinbarbitone

Schedule IV

Alprazolam	2882 N	Xanax
Barbital	2145 N	Veronal, Plexonal, barbitone
Bromazepam	2748 N	Lexotan, Lexatin, Lexotanil
Butorphanol	9720 N	Stadol, Stadol NS, Torbugesic, Torbutrol
Camazepam	2749 N	Albego, Limpidon, Paxor
Cathine	1230 N	Constituent of "Khat" plant
Chloral betaine	2460 N	Beta Chlor
Chloral hydrate	2465 N	Noctec
Chlordiazepoxide	2744 N	Librium, Libritabs, Limbitrol, SK-Lygen
Clobazam	2751 N	Urbadan, Urbanyl
Clonazepam	2737 N	Klonopin, Clonopin
Clorazepate	2768 N	Tranxene
Clotiazepam	2752 N	Trecalmo, Rize
Cloxazolam	2753 N	Enadel, Sepazon, Tolestan
Delorazepam	2754 N	
Dexfenfluramine	1670 N	Redux
Dextropropoxyphene dosage forms	9278	Darvon, propoxyphene, Darvocet, Dolene, Propacet
Diazepam	2765 N	Valium, Valrelease
Dichloralphenazone	2467 N	Midrin, dichloralantipyrine
Diethylpropion	1610 N	Tenuate, Tepanil
Difenoxin 1 mg/25 ug AtSO4/du	9167	Motofen
Estazolam	2756 N	ProSom, Domnamid, Eurodin, Nuactalon
Ethchlorvynol	2540 N	Placidyl
Ethinamate	2545 N	Valmid, Valamin
Ethyl loflazepate	2758 N	
Fencamfamin	1760 N	Reactivan

Fenfluramine	1670 N	Pondimin, Ponderal
Fenproporex	1575 N	Gacilin, Solvolip
Fludiazepam	2759 N	
Flunitrazepam	2763 N	Rohypnol, Narcozep, Darkene, Roipnol
Flurazepam	2767 N	Dalmane
Halazepam	2762 N	Paxipam
Haloxazolam	2771 N	
Ketazolam	2772 N	Anxon, Loftran, Solatran, Contamex
Loprazolam	2773 N	
Lorazepam	2885 N	Ativan
Lormetazepam	2774 N	Noctamid
Mazindol	1605 N	Sanorex, Mazanor
Mebutamate	2800 N	Capla
Medazepam	2836 N	Nobrium
Mefenorex	1580 N	Anorexic, Amexate, Doracil, Pondinil
Meprobamate	2820 N	Miltown, Equanil, Deprol, Equagesic, Meprospan
Methohexital	2264 N	Brevital
Methylphenobarbital (mephobarbital)	2250 N	Mebaral, mephobarbital
Midazolam	2884 N	Versed
Modafinil	1680 N	Provigil
Nimetazepam	2837 N	Erimin
Nitrazepam	2834 N	Mogadon
Nordiazepam	2838 N	Nordazepam, Demadar, Madar
Oxazepam	2835 N	Serax, Serenid-D
Oxazolam	2839 N	Serenal, Converal
Paraldehyde	2585 N	Paral
Pemoline	1530 N	Cylert
Pentazocine	9709 N	Talwin, Talwin NX, Talacen, Talwin Compound
Petrichloral	2591 N	Pentaerythritol chloral, Periclor
Phenobarbital	2285 N	Luminal, Donnatal, Bellergal-S
Phentermine	1640 N	Ionamin, Fastin, Adipex-P, Obe-Nix, Zantryl
Pinazepam	2883 N	Domar
Pipradrol	1750 N	Detaril, Stimolag Fortis
Prazepam	2764 N	Centrax
Quazepam	2881 N	Doral, Dormalin
Sibutramine	1675 N	Meridia
SPA	1635 N	1-dimethylamino-1,2-diphenylethane, Lefetamine
Temazepam	2925 N	Restoril
Tetrazepam	2886 N	
Triazolam	2887 N	Halcion
Zaleplon	2781 N	Sonata
Zolpidem	2783 N	Ambien, Stilnoct, Ivadal

SOURCE: <http://www.dea.gov/pubs/scheduling.html>