

**Bureau of Budget & Management Research  
Fiscal Note of Bill No. 409-30 (COR)**

**AN ACT TO INCLUDE THE DEPARTMENT OF MENTAL HEALTH & SUBSTANCE ABUSE IN THE GROUP PURCHASING OF DRUGS WITH OTHER AGENCIES; BY AMENDING §5270 OF ARTICLE 4, CHAPTER 5, TITLE 5 GUAM CODE ANNOTATED, SO AS TO INCLUDE DMHSA.**

Department/Agency Appropriation Information	
Dept./Agency Affected: Department of Mental Health & Substance Abuse	Dept./Agency Head: Wilfred G. Aflague
Department's General Fund (GF) appropriation(s) to date:	11,507,231
Department's Other Fund (Specify) appropriation(s) to date:	1,919,343
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$13,426,574</b>

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2009 Unreserved Fund Balance		\$0	\$0
FY 2010 Adopted Revenues	\$0	\$0	\$0
FY 2010 Appro. (P.L. 30-55 thru 30-112)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
<b>Total:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2010 (if applicable)	FY 2011	FY 2012	FY 2013	FY 2014
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
(Specify Special Fund)	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

- Does the bill contain "revenue generating" provisions? / / Yes /X / No  
If Yes, see attachment
- Is amount appropriated adequate to fund the intent of the appropriation? /X / N/A / / Yes / / No  
If no, what is the additional amount required? \$ \_\_\_\_\_ /X / N/A
- Does the Bill establish a new program/agency? /X / Yes / / No  
If yes, will the program duplicate existing programs/agencies? / / N/A /X / Yes / / No  
Is there a federal mandate to establish the program/agency? / / Yes /X / No
- Will the enactment of this Bill require new physical facilities? / / Yes /X / No
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: /X / Yes / / No  
/ / Requested agency comments not received by due date / / Other: \_\_\_\_\_

Analyst:  John AB Pangelinan	Date: 6/9/10	Director:  Bertha M. Dumas, Director	Date: 6/9/10
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**Footnotes:**  
Presently, DMHSA is paying retail prices for purchase of pharmaceutical drugs and supplies. For this fiscal year, DMHSA is expecting to pay approximately \$800K in drugs and medical supplies. By going directly to the manufactures, there is a potential savings of approximately \$300K in GF and HFF appropriations, representing approximately 38% in savings from retail cost. Because of the need to contact directly to the manufactures, procurement personnel's would have to be hired and needed equipment purchased at DMHSA. Such hiring of procurement personnel represent a duplication of services that is all ready in placed at the DOA General Services Agency (GSA). However the cost savings expected is far greater than the expected additional cost in personnel and equipment.