CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

June 25, 2018

S. 2838
Using Data to Prevent Opioid Diversion Act of 2018

As reported by the Senate Committee on the Judiciary on June 19, 2018

S. 2838 would require the Drug Enforcement Administration (DEA) to increase its reporting and sharing of information relating to the legal distribution of controlled substances, especially those drugs that are most likely to be abused. The bill also would establish a new crime for the failure of manufacturers or distributors of opioids to review the information shared by the DEA.

Any additional costs to DEA for the increased reporting and information-sharing would be paid from registration fees that the agency collects from drug manufacturers, distributors, and other authorized handlers of controlled substances. Such fees are treated as reductions in direct spending, and DEA is authorized to spend them without further appropriation. CBO assumes that all collections (an estimated $400 million in fiscal year 2019) will be spent under current law, so we estimate that enacting S. 2838 would have no significant net effect on spending by DEA.

Individuals prosecuted and convicted for failing to review information provided by DEA could be subject to civil and criminal fines, so the federal government might collect additional amounts under the bill. Civil fines are recorded in the budget as revenues. Criminal fines are also recorded as revenues, deposited in the Crime Victims Fund, and later spent without further appropriation action. CBO expects that any additional revenues and associated direct spending would not be significant because the bill would probably affect a relatively small number of cases.

Because enacting S. 2838 would affect direct spending and revenues, pay-as-you-go procedures apply. However, CBO estimates that any such effects would not be significant in any year.

CBO estimates that enacting S. 2838 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 2838 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA).

S. 2838 would impose a private-sector mandate as defined in UMRA by requiring drug manufacturers and developers to review opioid prescription and distribution information that would be shared by the Attorney General under the bill. Such information would assist those entities in identifying and stopping suspicious orders. Because drug manufacturers and developers already have responsibilities to review narcotics distribution data and maintain controls against diversion, CBO estimates that the incremental cost of the mandate would be small and well below the private-sector threshold established in UMRA ($160 million in 2018, adjusted annually for inflation).

The CBO staff contacts for this estimate are Mark Grabowicz (for federal costs) and Andrew Laughlin (for mandates). The estimate was reviewed by Theresa Gullo, Assistant Director for Budget Analysis.