



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community, and Economic Development

DIVISION OF CORPORATIONS, BUSINESS AND
PROFESSIONAL LICENSING

P.O. Box 110806
Juneau, Alaska 99811-0806
Main: 907.465.2550
Fax: 907.465.2974

Prescription Drug Monitoring Program (PDMP) Controlled Substance Prescription Database Registration Fees

Proposed Regulations - FAQ

January 2018

1. Why are new fees being proposed?

In 2016, the Alaska State Legislature enacted SB74, expanding the requirements for registration with and participation in the Prescription Drug Monitoring Program (PDMP). By July 17, 2017, all practitioners with a DEA number and all pharmacists dispensing controlled substances must register and utilize the PDMP according to state law. Practitioners include physicians, physician assistants, advanced practice registered nurses, optometrists, dentists, and veterinarians. Information about these requirements is located on the home pages of each licensing board's web site at professionallicense.alaska.gov, and details were mailed this summer to the addresses of record for each licensee required to participate.

The Department is proposing to establish registration fees to help cover the cost of the PDMP according to AS 17.30.200. Per state law, fees must be set so that the total amount of fees collected by the Department equals the total operational costs of the database minus all federal funds and grants acquired for the operational costs of the database.

2. What are the proposed fees for registration?

Fees *proposed*:

- **12 AAC 02.107. Prescription drug monitoring program controlled substance prescription database registration.** The following fees are established for registration with the database by a pharmacist who dispenses, or a practitioner who prescribes, administers, or directly dispenses a scheduled II, III, or IV controlled substance under federal law as required under AS 17.30.200:
 - (1) initial registration fee, \$50;
 - (2) biennial registration renewal fee, \$50.

3. How are the estimated costs determined?

Below is the fee analysis conducted on the PDMP program. This analysis is very similar to those conducted for any professional licensing program.

PDMP Fees FAQ

January 2018

Page 2

The fee analysis statistics were based on the FY2015 number of those pharmacists and practitioners required to register, included the costs of the PDMP software and upgrades; personal services, one-time startup, and travel costs for the PDMP manager authorized by SB74, along with legal and other costs to amend regulations. These costs, as instructed by SB74, were offset by the grant revenues through FY2020.

PDMP Registration Analysis												
Analysis last updated: 08/02/2016 - 09/12/2017 - 04/12/2017 - 12/18 Effective dates: 06/01/2017												
Fee Type	\$25 Fee Proposal				\$50 Fee Proposal				Adjustments		FY15 License Statistics	
	Fee Adjustment	Fee with Recommended Adjustment	Projected Revenue after Adjustment	% Change	Fee Adjustment	Fee with Recommended Adjustment	Projected Revenue after Adjustment	% Change	Adjustment for Estimated Prorated	Projected Units		
Pharmacists	25	25	25,800	25%	50	50	57,800	100%	(25)	52	Pharmacists 1,156	
Other Health Professionals	25	25	5,050	25%	50	50	10,100	100%	(25)	7	Other Health Professionals 202	
Dentists	25	25	22,875	25%	50	50	45,750	100%	(25)	48	Dentists 315	
APRNs	25	25	26,475	25%	50	50	52,950	100%	(25)	201	APRNs 1,059	
Physicians	25	25	102,975	25%	50	50	205,950	100%	(25)	304	Physicians 7,600	
Veterinarians	25	25	12,975	25%	50	50	25,950	100%	(25)	118	Veterinarians 2,950	
Delegates **	25	25	-	25%	50	50	-	100%	-	-	Delegates ** -	
Centralized Fees			1			1						
			\$ 199,250				\$ 398,500					
											\$ (18,250)	
* Based on the number that each occupation received prorated rates during their last Fee Analysis - Delegates were estimated at 5%.												
** Per LAW, the only people who have to pay the fee are those identified in AS 17.30.200(c) a pharmacist who dispenses or a practitioner who prescribes, administers, or directly dispenses a schedule II, III, or IV controlled substance under federal law are required to register.												
APPRISS SOFTWARE CONTRACT												
FY2017 78,385.00												
FY2018 75,000.00												
FY2019 75,000.00												
FY2020 75,000.00												
FY2021 75,000.00												
TOTAL = 378,385.00												
Without Fees												
Revenues and Expenditures		Projected FY2016/2019	Projected FY2016/2020/2021	\$25 Fee Proposal				\$50 Fee Proposal				
Revenue		-	-	FY2016/2018 Actuals	Projected FY2016/2019	Projected FY2016/2019	Projected FY2016/2020/2021	FY2016/2018 Actuals	Projected FY2016/2019	Projected FY2016/2019		
Expenses		-	-	-	-	199,250	199,250	-	-	398,500		
Adjustments		-	-	(305,885)	-	-	-	(305,885)	-	398,500		
Expense adjusted for 2% biennial increase \$125,000 SAMHSA Grant Award in (\$100,600-50% PHA 50% PDMF Grant 08/01/2016 - 08/01/2018 (3 Year - FY17-FY19 Fee adjustment for projected renewal)		(312,003)	(318,243)		250,000	(312,003)	(318,243)		250,000	(312,003)	(318,243)	
Projected Net		3,747	(211,493)		42,000	64,000	250,000		42,000	64,000	250,000	
Beginning Cumulative Surplus (Deficit)		(32,135)	(28,388)		(18,230)	(18,230)	(18,230)		(18,230)	(18,230)	(18,230)	
Ending Cumulative Surplus (Deficit)		(28,388)	(239,880)		-	(32,135)	202,997	(12,243)	-	(32,135)	402,247	187,007
ESTIMATED EXPENSES												
Cost of Appris Software		78,385	75,000	FY2017	FY2018	COMBINE D TOTAL						
PDMP Mgr - Range 17A (\$100,600-50% PHA 50% PDMF PS OneTime Startup Costs		50,300	50,300		50,300	100,600						
Travel Costs		15,000	15,000			15,000						
Stakeholder and Board Meetings Appris Conference/Training (Less Scholarship)		4,000	4,000		8,000							
Contractual Services												
Legal Costs to Amend Regulations Mail & Postage - Notify Licensees of Requirements		26,700	2,200		28,900							
PDMF Software Upgrade to Weekly Reporting		174,385	131,500		305,885							

This analysis compares PDMP funding Without Fees, \$25 Fee Proposed, and \$50 Fee Proposed. With current grants expiring in FY2019 and FY2020, the scenario without fees, shows a deficit of (\$239,880) at the end of FY2021. It is more likely that the final fee adopted by the division will be closer to \$25.00.

4. Could the division adopt a higher or lower fee than the one currently noticed?

The division can adopt the proposed fee, a lower fee, or no fee. It cannot adopt a fee higher than what has been proposed unless it issues a new notice and opens new comment period.

5. What do registration fees pay for?

Registration fees offset any remaining expenses that are not covered by the three federal grants the division has obtained for PDMP operations. Expenses include administrative and investigative personnel, training, and contracts with database vendors.

6. What happens if a registration fee is not adopted?

Because the PDMP is governed by the Board of Pharmacy, any expenses not covered by grants are paid for through pharmacist and pharmacy licensing fees. In 2015, when the fate of grant funding was uncertain,

representatives of the professional associations for pharmacy, dentistry, and medicine met with Director McCullough to discuss their professions' willingness to equally cover the cost of the PDMP due to its value to Alaskans. With their support, SB 74 authorized the division to set fees for all users.

7. Do delegates pay a registration fee?

The proposed regulations do not contemplate a registration fee for delegates.

Do you have a question that is not answered here? Please email jun.maiquis@alaska.gov so it can be added.