



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

### Proposed Regulations - FAQ

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February 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](http://professionallicense.alaska.gov), and details were mailed last 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.

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: 08/16/2018 - 01/31/2018 - 03/30/2018 - 04/17/2018 - 12/18														
Effective dates: 09/01/2017														
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*	Projected Revenue Loss			
Pharmacists	25	25	28,900	25%	50	50	57,800	100%	(25)	52	(1,300)	Pharmacists	1,156	
Optometrists	25	25	5,050	25%	50	50	10,100	100%	(25)	7	(175)	Optometrists	202	
Dentists	25	25	22,875	25%	50	50	45,750	100%	(25)	48	(1,200)	Dentists	385	
APFNs	25	25	26,475	25%	50	50	52,950	100%	(25)	201	(5,025)	APFNs	1,053	
Physicians	25	25	102,975	25%	50	50	205,950	100%	(25)	304	(7,600)	Physicians	4,118	
Veterinarians	25	25	12,975	25%	50	50	25,950	100%	(25)	118	(2,950)	Veterinarians	518	
Delegates **	25	25	-	25%	50	50	-	100%	-	-	-	Delegates **	-	
Centralized Fees														
			\$ 199,250				\$ 398,500				\$ (18,250)			
													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
* 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(a): 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.														
Revenues and Expenditures														
	Without Fees		\$25 Fee Proposal				\$50 Fee Proposal							
	Projected FY2018/2019	Projected FY2020/2021	FY2014/2015 Actuals	Projected FY2016/2018	Projected FY2018/2019	Projected FY2020/2021	FY2014/2015 Actuals	Projected FY2016/2018	Projected FY2018/2019	Projected FY2020/2021				
Revenue	-	-	-	-	199,250	199,250	-	-	398,500	398,500				
Expenses	-	-	-	(305,885)	-	-	-	(305,885)	-	-				
Adjustments														
Expenses adjusted for 2% biennial increase	(312,003)	(318,243)	-	-	(312,003)	(318,243)	-	-	(312,003)	(318,243)				
\$125,000 SAMHSA Grant Award in 2016 (5 year - Grant (2017/2018 - 06/31/2021) (3 Year - FY17-FY18)	250,000	125,000	250,000	250,000	125,000	125,000	250,000	250,000	125,000	125,000				
PS Canteen Startup Costs	64,000	-	42,000	64,000	64,000	64,000	42,000	64,000	64,000	64,000				
Fee adjustment for pro-rated renewal	(18,250)	(18,250)	-	(18,250)	(18,250)	(18,250)	-	(18,250)	(18,250)	(18,250)				
Projected Net	3,747	(211,493)	-	(32,135)	202,997	(12,243)	-	(32,135)	402,247	187,007				
Beginning Cumulative Surplus (Deficit)	(32,135)	(28,388)	-	-	(32,135)	170,862	-	-	(32,135)	370,112				
Ending Cumulative Surplus (Deficit)	(28,388)	(239,880)	-	(32,135)	170,862	158,620	-	(32,135)	370,112	557,120				
ESTIMATED EXPENSES														
	FY2017	FY2018	COMBINED TOTAL											
Cost of Appriss Software	78,385	75,000	153,385											
PDMP Mgr - Range 17A (\$100,600-50% PHA 50% PDMP)	50,300	50,300	100,600											
PS Canteen Startup Costs	64,000	-	64,000											
Travel Costs	-	-	-											
Stakeholder and Board Meetings	-	-	-											
Appriss Conference/Training (Less Scholarship)	4,000	4,000	8,000											
Contractual Services	-	-	-											
Legal Costs to Amend Regulations	-	-	-											
Mail & Postage - Notify Licensees of Requirements	-	-	-											
PDMP Software Upgrade to Weekly Reporting	26,700	2,200	28,900											
	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.

**4. Could the Division (Department) 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. Who and what is a delegate? Do delegates pay a registration fee?**

A delegate is an individual licensed, certified, or registered under the Division and signs into the PDMP on behalf of a supervising practitioner to review patient prescription history or to report prescription data. The proposed regulations do not contemplate an initial or renewal registration fee for delegates.

**8. What about physicians who currently holds an active Alaska medical license for the purpose of providing Tele-Radiology Services to facilities in Alaska. They hold an active DEA number and live in states other than Alaska; however, they do NOT prescribe medications. Would they be exempt from the requirement to register with the PDMP?**

HB 159 made changes to the controlled substance prescription database (PDMP), including mandated registration. AS 17.30.200 specifically indicates that practitioners actively licensed under AS 08.36, AS 08.64, AS 08.68, AS 08.72, AS 08.80, and AS 08.98 that also hold a DEA registration must register with the PDMP. If tele-radiology practitioners are not prescribing scheduled II – IV controlled substances, they are not required to conduct patient prescription history reviews in the PDMP; however, if they are directly dispensing or administering such medications, they are required to review the database.

**9. Our borough animal shelter has a DEA license held by one of two shelter managers. The controlled substances are used by our euthanasia-certified animal care staff. Neither shelter manager is a practitioner nor a pharmacist. Will we be required to register with and utilize the PDMP?**

The euthanasia services program established under AS 08.02 was not included in HB 159 as a profession with mandated PDMP registration. HB 159 only requires practitioners actively licensed under AS 08.36, AS 08.64, AS 08.68, AS 08.72, AS 08.80, and AS 08.98 that also hold a DEA registration to register and use the PDMP.

**10. Does this gain a provider query access via the Appriss Health PDMP Gateway? Or is that separate from this regulation?**

These regulations do not pertain to PDMP Gateway; however, the Division is currently discussing data sharing through PDMP InterConnect.

**11. What happens if I refuse to pay or don't comply? Do I need to give up practicing and prescribing? It is a consideration?**

If practitioners refuse to pay a fee implemented by this Division, this will deem the practitioner non-compliant with licensure requirements specified by board statute. AS 17.30.200 mandates practitioners licensed under AS 08.36, AS 08.64, AS 08.68, AS 08.72, AS 08.80, and AS 08.98 to register with the controlled substance prescription database (PDMP). Setting fees for registering with the database is specifically authorized by AS 17.30.200(s)(2).

**12. Do all providers who have an Alaska license need to register? Or only providers who will be prescribing medication in Alaska? Most of our providers live outside of Alaska and don't hold an Alaska DEA?**

State law mandates registration of practitioners who dispense federally scheduled II, III, and IV controlled substances and practitioners who prescribe and administer schedule II and III controlled substances. The registration deadline was July 17, 2017. As of that date, any providers meeting this criteria who are not registered are in violation of the law. The Division has sent multiple mailed notices to all licensed providers who may be required to register. You may find additional information located on the home pages of each licensing board's web site at [professionallicense.alaska.gov](http://professionallicense.alaska.gov).

**13. When will this fee be effective?**

After public comment deadline, comments received are compiled and given to the Division Director (Department) for consideration. The Division Director (Department) may adopt the regulation as written/publicly noticed, may amend and adopt them, or choose to take no action, or may withdraw the proposed regulations in part or in its whole. After Division/Department action, the adopted regulations goes to Department of Law (DOL) for final review/approval. DOL either approves or disapproves regulations. Once approved by DOL, it goes to the Lt. Governor for filing. Regulation takes effect on the 30th day after they have been filed by the Lt. Governor.

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