



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.

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
Optomtrists	25	25	5,050	25%	50	50	10,100	100%	(25)	7	(175)	Optomtrists	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 (09/01/2016 - 08/31/2021) (3 Year - FY17-FY19)	250,000	125,000	250,000	250,000	125,000	125,000	250,000	250,000	125,000	125,000			
64,000	64,000	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	COMBINE D 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 Cerebral Startup Costs	15,000	-	15,000										
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 \$25.00.

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.