

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version: SB 38  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB038-DCCED-DOI-3-15-2018  
Title: PHARMACY BENEFITS MANAGERS  
Sponsor: GIESSEL BY REQUEST  
Requester: (S) Labor and Commerce

Department: Department of Commerce, Community and  
Economic Development  
Appropriation: Insurance Operations  
Allocation: Insurance Operations  
OMB Component Number: 354

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2018) cost:** 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2019) cost:** 0.0 (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

## Why this fiscal note differs from previous version/comments:

Updated to 2018 fiscal note form, updated analysis.

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Agency: Division of Administrative Services, DCCED

Phone: (907)465-2560  
Date: 03/15/2018  
Date: 03/16/18

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

BILL NO. SB 38

### Analysis

SB38 requires Pharmacy Benefit Managers (PBMs) to register with the director of the Division of Insurance as third party administrators, and sets procedures PBMs must follow when conducting pharmacy audits. The bill also establishes procedures related to drug pricing, provides for a pharmacy appeal process related to reimbursement of multi-source generic drugs, and allows a pharmacy to request hearing with the director of the Division of Insurance under existing statute following the appeal process.

The registration process would require more work from the Licensing and Financial Examiners but the additional workload can to be absorbed by current staff.

The language in the bill provides that the appeals process would be provided by the Office of Administrative Hearings and not the Division of Insurance.

The Division of Insurance does not anticipate fiscal impact from this legislation.