

Fiscal Note

State of Alaska
2020 Legislative Session

Bill Version: HB 242
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB242-DHSS-MS-2-21-2020
Title: PRESCRIPTION OF OPIOIDS; DATABASE
Sponsor: JOSEPHSON
Requester: (H) HSS

Department: Department of Health and Social Services
Appropriation: Medicaid Services
Allocation: Medicaid Services
OMB Component Number: 3234

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2021 Appropriation Requested	Included in Governor's FY2021 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2021	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Personal Services							
Travel							
Services	500.0		150.0	150.0	150.0	150.0	150.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	500.0	0.0	150.0	150.0	150.0	150.0	150.0

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	450.0		112.5	112.5	112.5	112.5	112.5
1003 GF/Match (UGF)	50.0		37.5	37.5	37.5	37.5	37.5
Total	500.0	0.0	150.0	150.0	150.0	150.0	150.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2020) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2021) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? N/A
(Supplemental/Capital/New Fund - 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If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Division:	FMS Medicaid; Allocation; and Audit Services	Date:	02/14/2020 03:30 PM
Approved By:	Sana Efird, Administrative Services Director	Date:	02/21/20
Agency:	Office of Management and Budget		

FISCAL NOTE ANALYSIS

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Analysis

AS 08.36.070(a) is amended to add a requirement for the dental board.
AS 08.64.101(a) is amended to add a requirement for the medical board.
AS 08.68.100(a) is amended to add a requirement for the nursing board.
AS 08.72.050 is amended to add a requirement for the optometry board.

The bill would require the dental, medical, nursing, and optometry boards to adopt regulations that set opioid prescription dosage standards based on "morphine milligram equivalent" (MME) comparative units.

Per Alaska State Plan submittal TN-19-0010, the Alaska Medicaid Drug Utilization Review (DUR) Program's prospective DUR rules, effective Oct. 1, 2019, include *"screening each prescription filled or delivered to an individual receiving benefits for potential drug therapy problems due to...[o]pioid utilization patterns inconsistent with standards set by the State DUR board, including but not limited to days' supply, duplicate fills, therapeutic duplications, early fills, quantity limitations, dose limitations (e.g., daily MME)."*^{1,2}

The Alaska Medicaid program currently sets programmatic opioid standards based on daily MME; one daily MME limit for all professions. The Alaska Medicaid DUR Board advises the department on standards of care and recognizes the importance of aligning Medicaid policy with statewide policy. This is supported in Alaska State Plan submittal TN-19-0010 which states, *"The DUR program assesses opioid utilization against current evidence-based clinical practice guidelines and State and Federal laws and regulations."*³

Professional boards setting standards based on MME would be consistent with current Medicaid standards and claims adjudication rules. In the event the professional boards select unique standards for each profession, there may be some system costs associated with aligning system rules. The costs may be absorbed into standard operating budget depending on design needs.

AS 08.80.335 is amended by adding a new subsection.

This new subsection requires that a pharmacist must confirm that the prescriber of an opioid reviewed the Prescription Drug Monitoring Program (PDMP) database before the prescription for the opioid was written. This new subsection only applies to schedule II, III, or IV opioid prescriptions. Pharmacists currently are not required to check the PDMP prior to dispensing an opioid. This new subsection would require the pharmacist, prior to dispensing an opioid, to either check the PDMP – which would require a not currently available real-time audit stamp/indicator demonstrating that the prescriber has checked the PDMP within a currently undefined timeframe prior to the prescribing of the opioid – or the development of an alternate mechanism to validate that the prescriber had checked the PDMP.

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If a PDMP solution is expected for this law, adding a real-time audit stamp/indicator into the PDMP to collect and display an audit of the access history of a prescriber relative to a specific patient would result in an upgrade cost to the PDMP software. While it is not possible to obtain an immediate estimate of the cost of this type of functionality, based on other functionality upgrades, it could be upwards of \$500,000 design, development, and implementation costs for both the State and contractor costs and ongoing annual maintenance costs of \$150,000. Actual design costs and operating cost quotes would be needed to identify actual financial impact after regulations are drafted.

Medicaid programs, effective Oct 1, 2021, must be tied into a qualified PDMP. As such, Medicaid funding would be required to aid with the costs of such an upgrade. During FFY2021, the state would be eligible to request federal matching funds at 90%/10% [42 CFR 433.112]; however, beyond that, costs would revert to 75%/25% under MMIS operations and maintenance [42 CFR 433.116].

Requests for federal matching funds is subject to review and approval by the Centers for Medicare and Medicaid Services (CMS); submittal of a request for matching funds does not guarantee approval.

MMIS: Medicaid Management Information Systems

Citations:

1. Alaska State Plan.4.26 Drug Utilization Review Program, E.2. TN#19-0100.
2. Section 1004 of the SUPPORT for Patients and Communities Act
3. Alaska State Plan.4.26 Drug Utilization Review Program, C.2. TN#19-0100.

Estimated System Change Costs:

FY2021 - \$500.0 (90% federal / 10% GF) for system design, development and implementation.
FY2022 and beyond - \$150.0 (75% federal / 25% GF) for ongoing annual system maintenance.