

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: _____
 () Publish Date: _____
 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction): _____

Title PLACE PHARMACISTS IN THE EXEMPT SERVICE

RDU Health Care Services
 Component Medical Assistance Admin.

Sponsor HOUSE (RLS) BY REQUEST

Requester HOUSE (STA)

Component No. 242

Expenditures/Revenues (Thousands of Dollars)

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

| OPERATING EXPENDITURES | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Personal Services | 68.0 | 68.0 | 68.0 | 68.0 | 68.0 | 68.0 |
| Travel | | | | | | |
| Contractual | | | | | | |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 68.0 | 68.0 | 68.0 | 68.0 | 68.0 | 68.0 |

| | | | | | | |
|-----------------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|-----------------------------|--|--|--|--|--|--|

| | | | | | | |
|-------------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES (0) | | | | | | |
|-------------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1002 Federal Receipts | 34.0 | 34.0 | 34.0 | 34.0 | 34.0 | 34.0 |
| 1003 GF Match | 34.0 | 34.0 | 34.0 | 34.0 | 34.0 | 34.0 |
| 1004 GF | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other(Specify Type-do not abbreviate) | | | | | | |
| Other(Specify Type-do not abbreviate) | | | | | | |
| TOTAL | 68.0 | 68.0 | 68.0 | 68.0 | 68.0 | 68.0 |

Estimate of any current year (FY2006) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| Full-time | | | | | | |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

This bill would change currently classified Pharmacist positions to exempt. This action will allow the department the ability to compete with the current limited job market for Pharmacist positions. The department continues to experience difficulties in recruiting and/or keeping filled Pharmacist positions.

There are two primary reasons supporting this change:

- 1) In a recent market study, the department found that pharmacists earn considerably more in non-state positions, making it impossible to retain pharmacists or locate new

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ANALYSIS CONTINUATION

hires. An informal survey of wages at non-state pharmacies during the summer of 2005 showed wages to range from a starting wage of \$41.82 to \$58.45 depending on experience. If state pharmacists are exempt the department is able to compete with the non-state pay by hiring exempt staff.

2) Licensed Pharmacists are (specialized) health professionals; the nature of their work better fits in the exempt service category.

Licensed pharmacists are required for dispensing medicines related to clinical treatment and therapy provided through divisions of Pioneer Homes, Health Care Services, Behavioral Health, and Public Health.

Clinical functions include education and clinical consultation to nursing staff and residents, regular review of resident medical information, maintenance of drug formularies and development and maintenance of policies and procedures regarding use and storage of medications in the pharmacy in all six Pioneer Homes, Alaska Psychiatric Institute, Health Care Services, and Public Health epidemiology.

The department has estimated the cost of changing the existing budgeted positions to exempt status using Range 29 as an example. Range 29 starting hourly rate is \$44.64/hour. Non exempt pharmacists are currently budgeted at Range 21 or 22.

Summary of Cost Analysis of Changing DHSS Pharmacists to Exempt

| RDU | Component | # Positions | GF | Total |
|-----------------------|------------------------------|------------------------|-------------|--------------|
| Alaska Pioneer Homes | Pioneer Homes | 3 | 25.2 | 30.2 |
| Behavioral Health | Alaska Psychiatric Institute | 2 | 20.0 | 20.0 |
| Health Care Services | Medical Assistance Admin | 2 | 34.0 | 68.0 |
| Public Health | Epidemiology | 1 | 0 | 17.2 |
| Total Estimate | | | 79.2 | 135.4 |

Note: The estimates vary depending on the existing steps of positions. Also, the Pioneer Homes have already budgeted for two of their positions at a Range 29 in FY07 so there is less of an increase in this component.