

FISCAL NOTE

STATE OF ALASKA

2008 LEGISLATIVE SESSION

ID(File name) SB196HCSCSSB(JUD)-DHSS-MS-03-19-08
 Title PRESCRIPTION DATABASE

Sponsor GREEN
 Requester HOUSE FIN

Fiscal Note Number: 4
 Bill Version: HCS CSSB 196(FIN)
 (H) Publish Date 4/5/08
 Dept. Affected: Health & Social Services
 RDU Health Care Services
 Component Medicaid Services

Component No. 2077

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation		Information				
	Required						
OPERATING EXPENDITURES	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	(86.0)		(92.3)	(98.8)	(105.6)	(113.1)	(121.0)
Miscellaneous							
TOTAL OPERATING	(86.0)	0.0	(92.3)	(98.8)	(105.6)	(113.1)	(121.0)
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (0)							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	(44.0)		(46.2)	(49.6)	(52.8)	(56.6)	(60.5)
1003 GF Match	(42.0)		(46.1)	(49.2)	(52.8)	(56.5)	(60.5)
1004 GF							
1037 GF/Mental Health							
Other(Specify Type-do not abbreviate)							
Other(Specify Type-do not abbreviate)							
TOTAL	(86.0)	0.0	(92.3)	(98.8)	(105.6)	(113.1)	(121.0)

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

The Prescription Drug Monitoring Program will save money in the Medicaid Agency for controlled drug prescriptions. The savings will result from a decrease in the number of prescriptions that are filled and then illegally re-sold, a practice known as "diversion." Last year expenditures in the pharmacy program reached \$68,432.0, of which \$8,600.0 were related to controlled drugs. Conservatively, the prescription monitoring program can save 1% of the controlled drug expenditures in the Medicaid program due to prevention of diversion. Therefore, savings will amount to \$86,000.0 in FY09 if the prescription drug monitoring database is brought on line in FY09. Year-to-year inflation in the drug program is 7%. The average Federal Financial Participation for FY09 is 51.02%; FY10 is 50.76%; FY11 is 50.23%; after FY11 it is 50.00%.

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