

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	CSSB 38 (L&C)
Fiscal Note Number:	1
(S) Publish Date:	4/4/2018

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	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2019 Request	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
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							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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 (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 If yes, by what date are the regulations to be adopted, amended or repealed?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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Division:	Division of Insurance	Date:	03/15/2018
Approved By:	Catherine Reardon, Director	Date:	03/16/18
Agency:	Division of Administrative Services, DCCED		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

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.