

Fiscal Note

State of Alaska
2019 Legislative Session

Bill Version:	HCS CSSB 44(FIN)
Fiscal Note Number:	3
(H) Publish Date:	5/14/2019

Identifier: SB044-DHSS-MS-5-10-2019
 Title: TELEHEALTH: PHYSICIAN ASSISTANTS;
 DRUGS
 Sponsor: GIESSEL BY REQUEST
 Requester: (H)FIN

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)

	FY2020 Appropriation Requested	Included in Governor's FY2020 Request	Out-Year Cost Estimates				
			FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
OPERATING EXPENDITURES	FY 2020	FY 2020					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits		(1,000.0)	(2,000.0)	(2,000.0)	(2,000.0)	(2,000.0)	(2,000.0)
Miscellaneous							
Total Operating	0.0	(1,000.0)	(2,000.0)	(2,000.0)	(2,000.0)	(2,000.0)	(2,000.0)

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)		(700.0)	(1,400.0)	(1,400.0)	(1,400.0)	(1,400.0)	(1,400.0)
1003 GF/Match (UGF)		(300.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)
Total	0.0	(1,000.0)	(2,000.0)	(2,000.0)	(2,000.0)	(2,000.0)	(2,000.0)

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 (FY2019) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2020) 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? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/19

Why this fiscal note differs from previous version/comments:

Version O amendments include changes to the Medicaid pharmacy and now require a fiscal note. This is the initial version based on the Governor's February 13, 2019 FY202 amended budget request.

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Phone: (907)465-6333
 Date: 05/09/2019
 Date: 05/09/19

**REPORTED OUT OF
HFC 05/13/2019**

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2019 LEGISLATIVE SESSION**Analysis**

Senate Bill 44, through the changes to AS 47.05.012 and AS 47.07.065, will provide authority for the Department of Health and Social Services (DHSS) to more frequently update the Alaska Medicaid Preferred Drug List (PDL) and Prior Authorization (PA) Medications List. The department uses the Preferred Drug List (PDL) to assist in the guidance of prescribing clinically beneficial medications for specific drug classes to promote positive health outcomes and cost savings. The department uses the PA Medications List to ensure clinically appropriate use at the individual level.

The department relies on advisory committees (the Alaska Medicaid Drug Utilization Review Committee and the Alaska Medicaid Pharmacy & Therapeutics Committee) to guide decisions by the department in the selection of drugs for the PDL and PA Medications list. The committees meet on a state fiscal year cycle in September, November, January, and April and are publically noticed and open to the public.

The PDL aids in supporting a financially sustainable program through the negotiation of supplemental rebates under the State's participation in the National Medicaid Pooling Initiative, a multi-state contracting pool with 10 states and the District of Columbia.

The projected savings estimate is based on supplemental rebate negotiated contracts, historical utilization patterns, and projected shifts in prescribing which will approach \$1,000.0 during FY2020 and \$2,000.0 in the following years as a result of being able to adopt PDL changes more frequently. The savings are calculated to be split as 70% federal/30% state general funds. Regulations are expected to take six months to be written and finalized.