

Konrad Jackson

From: Fred Brown <fred.brown@hccmca.org>
Sent: Friday, April 06, 2012 3:16 PM
To: Rep. Kurt Olson
Cc: Rep. Mike Chenault; Rep. Bob Miller; Rep. Steve Thompson; Rep. Dan Saddler; Rep. Lindsey Holmes; Rep. Craig Johnson; Konrad Jackson
Subject: HB 259 Pharmacy Audit

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Dear Representative Olson and members of the committee,

HCCMCA is a coalition of over 35 Alaska and Northwest based self-funded or employer-sponsored health benefit plans. These funds represent over 65,000 covered lives in Alaska, including many Alaska state employees and their dependents. We share many of the same concerns expressed by the State of Alaska DOA at your hearing held on March 26, 2012.

We also appreciate your attempt, following the hearing, to accommodate the State's concerns in the currently-pending committee substitute. Nevertheless, we believe the CS changes do not go far enough. For example, we think the provision limiting the number of scripts that can be audited to 75 during a single audit, unless there is a 10% or more error rate, is overly restrictive and burdensome for auditors contracted by our health plans.

Additionally, many of our member funds are Taft-Hartley plans, regulated under Federal law, which could preempt state law, protecting the ability of our fund Trustees to preserve the fund assets for the benefit of their participants. Although you have exempted Alaska governmental plans in the CS, we recommend you also examine the question of whether Taft-Hartley plans should be exempted from coverage as well. We suggest this bill should be held in committee and a work group formed allowing interested parties to better evaluate and understand the issues during the interim.

Feel free to contact me if you have any questions.

Fred

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