

ALASKA STATE LEGISLATURE

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North to the Future

Senator Cathy Giessel

Senate District N

CS SB 37 (FIN) vsn N Sponsor Statement **Pharmacy Board & Employees; Drug Distribution/Manufacturing**

Passage of the Committee Substitute for Senate Bill 37 will create a more secure drug supply chain by allowing for licensing and inspection of wholesale drug distributors outside of the state. Currently, Alaska is one of the few remaining states that does not license out-of-state wholesale drug distributors. With laws and regulations varying from state to state, licensing an out-of-state wholesale distributor can prove arduous. With this legislation, Alaska can take action to eliminate wholesalers looking for loopholes in the regulatory system and ensure that out-of-state applicants seeking licensure comply with the same regulations as Alaska wholesalers.

This legislation is critical and necessary to bring Alaska into compliance with the Drug Quality Security Act (DQSA) and create a new license category for "Out-of-State Wholesale Drug Distributors." Currently, the Board of Pharmacy has no authority to regulate out-of-state wholesale drug distributors, outsourcing facilities or third party logistic providers (3PLs). SB 37 would ensure safe delivery of controlled, non-counterfeit medications to Alaskans.

SB 37 would require that any out-of-state wholesale drug distributor or outsourcing facility follow specific guidelines set forth by the Board of Pharmacy, including obtaining a license, authorizing inspection of the facility by a designee of the board, and appointing an agent before shipping, mailing or delivering prescription drugs to a licensee in the state or advertising in the state.

Additionally, this legislation allows the Board of Pharmacy to create a new position titled "Executive Administrator" that will handle licensing of drug wholesale distributors, outsourcing facilities and 3PLs, as well as assist in implementing protocols set forth in the Medicaid reform legislation passed in 2016.

This legislation will not affect the general fund; the new position created will be funded by the new licensee fees that will be required from the wholesale distributors upon licensure.

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