

Alaska State Legislature

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Senate Labor and Commerce Committee

Senate Bill 217 Pharmacy Audits

Sponsor Statement

Passage of Senate Bill 217 will establish procedures and guidelines for auditing pharmacy records so that all pharmacies are held to the same standards. It has been introduced by request of the Alaska Pharmacists Association.

The legislation would help assure all pharmacies in the state face reasonable audits, but it would especially help small-business pharmacies who, because of their smaller pool of assets, may face dire consequences due to an unreasonable audit.

Senate Bill 217 would set requirements for auditing pharmacy records by an insurer, a managed care company, a third-party payor, or a pharmacy benefits manager. Where there are disagreements between an auditor and a pharmacy, the measure would allow for an appeal in the case.

Pharmacists acknowledge that audits are a good tool to protect the public and detect fraud or abuse, but they say that, sometimes, audits may be unreasonable and used in a way to deprive them of fair reimbursement for their services. There may be times when pharmacists may give someone the right drug in the right dose, but because of a clerical or typographical error in billing, they may not get paid what they are due.

Senate Bill 217 is aimed at protecting the public from potential abuse, while at the same time assuring that pharmacists face fair, reasonable and consistent audits.

Supporters of this measure include the Alaska Pharmacists Association, the National Community Pharmacists Association, and the National Association of Chain Drug Stores.