

# Alaska State Legislature

**State Capitol, Room 510**

Juneau, Alaska 99801

Phone: (907) 465-4947

Fax: (907) 465-2108



**Committee Members:**

Senator Dennis Egan, Chair

Senator Joe Paskvan, V. Chair

Senator Bettye Davis

Senator Linda Menard

Senator Cathy Giessel

## Senate Labor and Commerce Committee

### Senate Bill 217 Pharmacy Audits

#### Sectional Analysis

**Section 1.** States the intent of the bill is to set standards for auditing pharmacy records.

**Section 2.** Amends Chapter 08.80, Pharmacists and Pharmacies, by adding a new section, 08.80.477, that sets out requirements for auditing pharmacy records by an insurer, a managed care company, a third-party payor, a pharmacy benefits manager, a health plan administered by the state, or an entity that represents such companies.

Some of those procedures cover:

- Notice requirements for audits;
- Scheduling of audits;
- Retrospective limitations;
- Auditor qualifications;
- Audit standards;
- Errors;
- Access to previous reports;
- Limits on providing audit reports;
- Prohibitions against extrapolation and projections;
- Requiring findings of actual overpayment;
- Exclusion of dispensing fees;
- Time limits relating to reports;
- Documentation;
- Appeals;
- Regulating auditor compensation;
- Limiting accrual of interest;
- Excluding applicability to criminal investigations or investigations by a governmental agency.

**Section 3.** Applies the bill to audits that occur after the immediate effective date set in Section 4.

**Section 4.** Provides for an immediate effective date.