From:	Erin Shine
To:	Doniece Gott
Subject:	FW: Comments on SSSB 74 (FIN)
Date:	Wednesday, March 02, 2016 8:02:02 AM
Attachments:	F41A3396-9565-4F89-A7A3-DA03A08462C7[8].png

From: ashleyreed@gci.net [mailto:ashleyreed@gci.net]
Sent: Tuesday, March 01, 2016 4:33 PM
To: Sen. Anna MacKinnon <Sen.Anna.MacKinnon@akleg.gov>
Subject: Fw: Comments on SSSB 74 (FIN)

Senator -

Please find below a few constructive comments from Geneva Woods Medical on SB 74. My apologies for not getting them to you sooner.

Regards,

Ashley Reed
907. 229. 4049
Sent via BlackBerry by AT&T

From: Dan Afrasiabi <dan.afrasiabi@genevawoods.com>
Date: Wed, 2 Mar 2016 00:59:07 +0000
To: ashleyreed@gci.net<ashleyreed@gci.net>
Cc: Tom Gimple<tom.gimple@gmail.com>; Gabriel Kompkoff<Gabriel.Kompkoff@chugach.com>; Jonathon B Rubini<jrubini@jlproperties.com>
Subject: Comments on Proposed Bill

Ashley,

As you know, Geneva Woods employs over 250 Alaskans and is a critical component of community-based care thought the state. We have reviewed the proposed bill and agree with the vast majority of the **themes** presented and the potential to improve health care results for Alaskans while reducing costs. However, as they say, "the devil is in the details". Upon review of the details with from an objective perspective, a few very serious problems become manifest. Below, I have outlined 3 of these issues, and have proposed reasonable language that achieves the State's objectives, without creating an unreasonable and untenable burden on the industry in Alaska.

- Section 8 proposes that AS 17.30.200(k) be amended. The requirement that a pharmacist check the database prior to dispensing any class of controlled substance is not realistic. While the intention here is good, we do not believe anyone truly appreciates the burden this puts on pharmacies, when all classes of Scheduled medication (including Class V) are included. For example, many prescription sleeping tablets that are routinely prescribed by any provider fall in the Class V category. As

such, the regulatory burden that such a heavy requirement places on the pharmacist is truly not necessary in order to achieve the policy goals of the State (with which we completely agree). As such, we propose that the requirement be limited to Class IIA drugs, which are the subject of the concern.

Proposed language: "(4) that a pharmacist or practitioner shall access the database to check a patient's prescription records before dispensing, prescribing, or administering ***a Schedule IIA*** controlled substance to the patient."

- Section 12 proposed to amend AS 47.05.015 to clarify the department's ability to enter into a competitively bid contract for durable medical equipment. We concur with the clarification, but believe it must be to a company serving Alaskan patients in all aspects of durable medical equipment. If select portions of service are allowed to be removed, with only very low or negative margin services remaining, providers will be forced to stop providing those services, negatively impacting Alaskans. This is a simple policy issue; There is simply no way that the State can expect Alaskan companies to be left with a few crumbs, while still being able to serve the needs of the residents, while the high volume items are outsourced to an out-of-state provider.

Proposed language: "(e) Notwithstanding (c) of this section, the department may enter into a contract with an Alaska-based Medicaid and Medicare-enrolled provider through the competitive bidding process…"

- Section 16 proposes to amend AS 47.05 by adding a new section, AS 47.05.235. For a company of any size and complexity, let alone a company of our size, the requirement to annually review **every claim** in onerous and frankly beyond the scope of reasonableness. We understand and appreciate what the state wants to accomplish. We already get hit with audits on virtually a weekly basis and are forced to have a full compliance department just for that purpose. If the State now wants to place an additional burden that requires us to audit every single claim, it simply becomes an untenable situation.

Proposed language: "(a) An enrolled medical assistance provider shall conduct a r***easonable review of claims*** submitted to the department…"

- Section 17 proposes to amend AS 47.05 by adding new section 47.05.270 requiring the adoption of regulations to design and implement the medical assistance reform program. The proposed language is intended to maximize the benefit that pharmacy initiatives can add to the program. Again, we full-heartedly support the shift to policies that produce better outcomes, better care, and lower costs. In fact, we want to expand this language to include pharmacy services that have an absolutely irrefutable 10x1 return on ROI, relative to lower hospitalization, lower readmissions and better overall health outcomes. As such, we propose the addition of the following language:

Proposed language: " (a)(6) pharmacy initiatives, including paid Comprehensive Medication Review, use of pharmacy transitional services by hospitals, and other services

with a proven record of reducing hospitalization and readmissions”

There are a number of other punitive, and frankly on the face of it, potentially unconstitutional provisions. For example, the state is requesting to be given the right to freeze assets on the mere suspicion of overpayment or fraudulent activity. To us, this seems like a very heavy-handed power that has the potential for abuse in the future. Furthermore, the state wants to request penalties, in addition to standard costs and recoveries of audits, in cases of overpayment. Again, it seems to us that this provision has the potential for future problems.

Having said that, our main focus remains on the four items listed above. Please let me know if I can further explain any of these issues.
Thanks,
Dan

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