

# ALASKA STATE LEGISLATURE

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North to the Future

## **Senator Cathy Giessel** Senate District N

### **SPONSOR STATEMENT** **Senate Bill 175**

Passage of Senate Bill 175 will establish procedures and guidelines for the auditing of pharmacy records so that all pharmacies are held to the same standards by its auditors. It has been introduced by request of the Alaska Pharmacists Association.

The legislation would help ensure that all pharmacies in the state would be subject to 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.

SB 175 would outline specific requirements for the auditing of 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 sometimes audits can be unreasonable and used in a way to deprive them of fair reimbursement for their services. There may be times when pharmacists may give a customer the right drug in the right dose, but because of a clerical or typographical error in billing, they are penalized by only receiving partial or no reimbursement on what they paid for a drug.

Additionally, this legislation will require timely, price updates of drug pricing changes and allow pharmacies an appeal process for when they are reimbursed below cost.

Senate Bill 175 is aimed at protecting the public from potential abuse, while at the same time ensuring that pharmacists face reasonable and consistent audits and fair pricing practices.

Please join me in support of this common sense bill that will help your local, consumer-oriented pharmacy enjoy fair treatment by its prescription drug auditors.

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