

SB 175

Explanation of changes from original version W to Committee Substitute version H April 2, 2016

Section 1:

Section 21.27.901 Registration of pharmacy benefits managers; scope of business practice

Moves the pharmacy benefit manager registration to 21.27.630 that governs third party administrators. Outlines what a PBM may do under this chapter and deletes lines 8-20 of vsn W regarding registration

Sec. 21.27.905 Renewal of registration. Changes renewal of registration from annual to biannual

Section 21.27.910 Pharmacy audit procedural requirements. Adds “ Unless required under AS 21.36.495, a” (this statute governs procedure for timely payment of claims) and that during adjudication of a claim, no interest will accrue

In (d) (1) and (2) clarifies that it must be a pharmacist licensed and in good standing in AK and in compliance with AS 08.80 (Pharmacy Statute) when the audit involves clinical or professional judgment

Sec. 21.27.915. Overpayment or underpayment. adds language that does not allow extrapolation of figures in calculation of an over or underpayment unless PBMs and pharmacy agree to a statistically agreed-upon projection

Sec. 21.27.920. Recoupment. Removed reference to “corrective action plan” in (b)

Section 21.97.925. Pharmacy audit reports. No change

Section 21.27.930. Pharmacy audit appeal; future repayment. Clarifies in (c) that it is the PBM’s appeal process that must be exhausted.

Section 21.27.935. Fraud. Deletes entire text in W, and rewords it:

“When a pharmacy benefits manager is conducting an audit of a pharmacy, fraudulent activity is defined as an intentional act of theft, deception, misrepresentation or concealment committed by the pharmacy, which is discovered during the course of an audit. Unintentional clerical or record-keeping errors, including typographical errors, writer’s errors, or computer errors regarding a required document or record, shall not be considered fraudulent activity.”

Section 21.27.945 Drug pricing list; procedural requirements. No change

Sec. 21.27.950. Multi-source generic drug appeal. Adds in (e) A network pharmacy may request a hearing under AS 21.06.170 – AS 21.06.240 that governs procedure for hearings by the Div. of Insurance and takes out the 30 calendar days language in (f) and deletes (g) since that would all be covered by AS 21.06.170 – AS 21.06.240

Sec. 21.27.955. Definitions. No changes

Sec. 2-5 No changes

Sec. 6 changes effective date from Jan. 1 to July 1, 2017

Jmc

4/2/16