

ALASKA STATE LEGISLATURE

1500 W Benson Boulevard
Anchorage AK 99503
907-269-0181



State Capitol
Juneau AK 99801-1182
907-465-4843
800-892-4843

North to the Future

Senator Cathy Giessel

Senate District N

SPONSOR STATEMENT

Senate Bill 38 Pharmacy Benefit Managers

Passage of Senate Bill 38 will establish procedures and guidelines for the auditing of pharmacy records so that all pharmacies are held to the same standards by its auditors. This legislation has been the Alaska Pharmacists Association's number one priority for the past 8 years.

SB 38 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, can face dire financial consequences due to an unreasonable audit.

SB 38 would outline specific requirements for the auditing of pharmacy records by 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 audits can often 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 by the PBM and allow pharmacies an appeal process for when they are reimbursed below cost.

Senate Bill 38 reflects similar legislation that has been introduced across the country over the past few years to shine a light on the opaque business practices of pharmacy benefit manager companies. Currently, 80 pieces of legislation have been introduced nationally to address these non-regulated entities.

Please join me in support of this critical bill that will help our local, consumer-oriented pharmacies continue to serve its patients and communities, particularly in our rural areas where access to health care is of extreme importance.

Chair Senate Resources Committee
Senator.Cathy.Giessel@akleg.gov