



SENATOR DENNIS EGAN

Sponsor Substitute for Senate Bill 8 Pharmacy Audits

Sponsor Statement

Passage of Sponsor Substitute for Senate Bill 8 will establish procedures and guidelines for auditing pharmacy records, so that all pharmacies are held to fair standards. It has been introduced at the request of the Alaska Pharmacists Association.

Pharmacists acknowledge that audits are a good tool to protect the public and detect fraud or abuse, but sometimes audits are unreasonable and used in a way that deprives them of fair reimbursement for their services. For example, there may be times when pharmacists give someone the right drug in the right dose, but because of a clerical or typographical error in billing, they may not get paid what they are due. Where there are disagreements between an auditor and a pharmacy, the measure would allow for an appeal in the case.

In response to their history of pharmacy audit abuses, 22 states have now enacted reforms similar to those proposed in SSSB 8. More are considering such measures.

This legislation would help protect all pharmacies in Alaska, but it would especially help small-business pharmacies who, because of their smaller pool of assets, often face dire consequences from an unreasonable audit.

SSSB 8 would set requirements for auditing pharmacy records by an insurer, a managed care company, a third-party payor, or a pharmacy benefits manager. Supporters of this measure include the Alaska Pharmacists Association and the National Community Pharmacists Association.

ALASKA SENATE

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