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March 27, 2017

The Honorable Senator Giessel
State Senate
Alaska State Capitol
Juneau, AK 99801-1182

Re: SB38: Pharmacy Benefit Managers and Auditing of Pharmacy Records

I am writing in full support of SB38 and hope that Alaska can join the 34 other states that have established guidelines for the oversight of PBM's and their auditing practices and pricing transparency. This bill is needed to create a fair relationship between providers and the PBM's so that health care members can continue to receive services in the state at their pharmacy of choice.

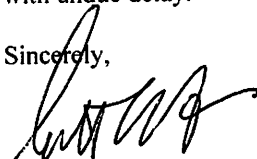
This bill will not prevent the detection for any fraud, waste, or abuse and will not prevent the recoupment of the PBM's from the pharmacy providers if such occurs. If fraud is alleged by a pharmacy or pharmacy employee the PBM's have full access to audit and recoup.

We are continually, read daily, dispensing medications below our cost due to the drug pricing list of PBM's (also called MAC lists-maximum allowable cost). These lists are set by the PBM, and change without notice. Currently there is no appeal process with the PBM's, most do not even have a phone number for these departments and we are left in a phone tree maze of wasted time and effort. While these lists are one mechanism to keep drug costs down, it is unfair if PBM's do not adequately update these lists to reflect increases in cost and to provide an adequate appeals process.

In providing pharmacy services to Southeast Alaska Residents in communities with no retail pharmacy we occasionally mail their prescriptions to their home in addition to the prescriptions they pick up in store while in town. According to many PBM's this is a breach of contract and those prescriptions need to come from the PBM's mail order pharmacy. During an audit the PBM could recoup the entire amount of these prescriptions.

If a PBM is truly interested in cost savings for health plans, the transparency required will not be an issue. It is stated from some PBM's that we are not to disclose the payment to a pharmacy from the PBM, this is confidential information. Why they expect this is one of the many reasons I hope this bill can be passed with undue delay.

Sincerely,



Scott Watts R.Ph