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HB240: "An Act relating to the registration and duties of pharmacy benefits managers; relating to procedures, guidelines, and enforcement mechanisms for pharmacy audits; relating to the cost of multi-source generic drugs and insurance reimbursement procedures; relating to the duties of the director of the division of insurance; and providing for an effective date"

30-LS0868\A

SPONSOR STATEMENT

If passed, House Bill 240, Pharmacy Benefits Managers, will establish procedures and guidelines for the auditing of pharmacy records so that all pharmacies are held to the same standards by their auditors. SB 38, the companion bill, was introduced in the Senate as a result of a request by the Alaska Pharmacists Association.

While the intent of this legislation is to help ensure that all pharmacies in the state would be subject to reasonable audits, it would especially help small-business pharmacies who, because of their smaller pool of assets, may face dire consequences as a result of an unreasonable audit. HB 240 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. In the event that disagreements should arise 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, however, in some circumstances, audits can be unreasonable and used in a way to deprive pharmacies of fair reimbursement for their services. There may be times when pharmacies provide a customer the right drug in the right dose, but because of a clerical or typographical error in billing, they are penalized by receiving partial or no reimbursement on their cost for a drug. Additionally, this legislation will require timely updates of drug pricing changes, and provide pharmacies with an appeal process for when they are reimbursed below cost. House Bill 240 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.

I hope that you will 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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