

- 1 SB252
- 2 I3VRGZZ-1
- 3 By Senators Beasley, Gudger, Livingston, Chesteen, Williams,
- 4 Stutts, Jones, Bell, Sessions, Hovey, Givhan, Allen,
- 5 Smitherman, Roberts, Price, Butler, Shelnutt, Melson,
- 6 Coleman-Madison, Stewart, Singleton, Barfoot, Chambliss,
- 7 Kelley, Coleman, Carnley, Hatcher, Figures, Elliott
- 8 RFD: Banking and Insurance
- 9 First Read: 18-Mar-25



SYNOPSIS:

This bill, known as "The Community Pharmacy Relief Act," would further regulate pharmacy benefits managers.

Pharmacy benefits managers are third-party administrators of prescription drug benefits in a health insurance plan. They are primarily responsible for processing and paying prescription drug claims. They typically negotiate price discounts and rebates from manufacturers and determine how pharmacies get reimbursed for dispensing the prescription drugs. Under state law, pharmacy benefits managers are licensed and regulated by the Department of Insurance.

This bill would prohibit pharmacy benefits managers from reimbursing independent pharmacies less than the amount paid by the Alabama Medicaid Agency to pharmacies for prescription drugs for a period of two years.

This bill would prohibit pharmacy benefits
managers from charging pharmacies or pharmacists
miscellaneous fees related to network participation and
claims processing, and from charging other fees that
reduce reimbursement or increase out-of-pocket charges
to health plan beneficiaries.

Pharmacy benefits managers would be prohibited



29	under this bill from barring disclosure of information
30	by pharmacists to consumers about drug costs and
31	alternative drugs for treatment.
32	Pharmacy benefits managers would be further
33	required to pass on 100 percent of rebates received
34	from drug manufacturers to the health benefit plans for
35	which they provide services.
36	This bill would specify that the Commissioner of
37	Insurance shall enforce violations by a pharmacy
38	benefits manager, including those committed during an
39	audit of a pharmacy under the Pharmacy Audit Integrity
40	Act, and would provide a civil penalty.
41	This bill would provide a civil action for
42	pharmacists, pharmacies, and insurance beneficiaries
43	for injuries due to violations by a pharmacy benefits
44	manager.
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48	A BILL
49	TO BE ENTITLED
50	AN ACT
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52	Relating to pharmacy benefits managers; to amend
53	Sections 27-45A-3, 27-45A-5, 27-45A-6, 27-45A-7, 27-45A-8, and
54	27-45A-10, Code of Alabama 1975; to further provide for
55	regulation of pharmacy benefits managers by the Commissioner

of Insurance; to provide a civil action to persons injured by



- 57 pharmacy benefits managers; to add Section 27-45A-13 to the
- 58 Code of Alabama 1975, to provide a minimum reimbursement
- amount for independent pharmacies and to provide for its
- 60 repeal; and to add Section 27-45A-14 to the Code of Alabama
- 61 1975, to regulate rebates from drug manufacturers to pharmacy
- 62 benefits managers.
- 63 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:
- Section 1. This act shall be known as "The Community
- 65 Pharmacy Relief Act."
- 66 Section 2. Sections 27-45A-3, 27-45A-5, 27-45A-6,
- 67 27-45A-7, 27-45A-8, and 27-45A-10, Code of Alabama 1975, are
- 68 amended to read as follows:
- 69 "\$27-45A-3
- 70 For purposes of this chapter, the following words shall
- 71 have the following meanings:
- 72 (1) AFFILIATE or PBM AFFILIATE. An entity, including,
- but not limited to, a pharmacy, health insurer, or group
- 74 purchasing organization that directly or indirectly, through
- one or more intermediaries, has one of the following
- 76 affiliations:
- a. Owns, controls, or has an investment interest in a
- 78 pharmacy benefits manager.
- b. Is owned, controlled by, or has an investment
- 80 interest holder who is a pharmacy benefits manager.
- 81 c. Is under common ownership or corporate control with
- 82 a pharmacy benefits manager.
- 83 (1)(2) CLAIMS PROCESSING SERVICES. The administrative
- 84 services performed in connection with the processing and

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- adjudicating of claims relating to pharmacist services that include any of the following:
- 87 a. Receiving payments for pharmacist services.
- b. Making payments to pharmacists or pharmacies forpharmacist services.
- 90 c. Both paragraphs a. and b.

- 91 (2)(3) COVERED INDIVIDUAL. A member, policyholder,
 92 subscriber, enrollee, beneficiary, dependent, or other
 93 individual participating in a health benefit plan.
 - (3) (4) HEALTH BENEFIT PLAN. A policy, contract, certificate, or agreement entered into, offered, or issued by a health insurer to provide, deliver, arrange for, pay for, or reimburse any of the costs of physical, mental, or behavioral health care services, including pharmaceutical services.

(4) (5) HEALTH INSURER. An entity subject to the insurance laws of this state and rules of the department, or subject to the jurisdiction of the department, that contracts or offers to contract to provide, deliver, arrange for, pay for, or reimburse any of the costs of health care services, including, but not limited to, a sickness and accident insurance company, a health maintenance organization operating pursuant to Chapter 21A, a nonprofit hospital or health service corporation, a health care service plan organized pursuant to Article 6, Chapter 20 of Title 10A, or any other entity providing a plan of health insurance, health benefits, or health services, including a nonprofit agricultural organization that provides a plan for health care services to its members.



(6) INDEPENDENT PHARMACY. A pharmacy in the state as
defined in Section 34-23-1 that holds an active permit from
the Alabama State Board of Pharmacy and is classified by the
Alabama State Board of Pharmacy as a community pharmacy.
(7) IN-NETWORK or NETWORK. A network of pharmacists or
pharmacies that are paid for pharmacist services pursuant to
an agreement with a health benefit plan or a pharmacy benefits
manager.
(8) MEDICAID REIMBURSEMENT RATE. The total payment
amount for an outpatient drug dispensed by a pharmacy as set
by rule adopted by the Alabama Medicaid Agency which is in
effect on the effective date of this act.
$\frac{(5)}{(9)}$ OTHER PRESCRIPTION DRUG OR DEVICE SERVICES.
Services, other than claims processing services, provided
directly or indirectly, whether in connection with or separate
from claims processing services, including, but not limited
to, any of the following:
a. Negotiating rebates, discounts, or other financial
incentives and arrangements with drug companies.
b. Disbursing or distributing rebates.
c. Managing or participating in incentive programs or
arrangements for pharmacist services.
d. Negotiating or entering into contractual
arrangements with pharmacists or pharmacies, or both.
e. Developing formularies.
f. Designing prescription benefit programs.
g. Advertising or promoting services.

 $\frac{(6)}{(10)}$ PHARMACIST. As defined in Section 34-23-1.



141	(11) PHARMACISI SERVICES. Products, goods, and
142	services, or any combination of products, goods, and services,
143	provided as a part of the practice of pharmacy.
144	$\frac{(8)}{(12)}$ PHARMACY. As defined in Section 34-23-1.
145	(9) (13) PHARMACY BENEFITS MANAGER. a. A person,
146	including a wholly or partially owned or controlled subsidiary
147	of a pharmacy benefits manager, that provides claims
148	processing services or other prescription drug or device
149	services, or both, to covered individuals who are employed in
150	or are residents of this state, for health benefit plans. The
151	term includes any person that administers a prescription
152	discount program directly for or on behalf of a pharmacy
153	benefits manager or health benefit plan for drugs to covered
154	individuals which are not reimbursed by a pharmacy benefits
155	manager or are not covered by a health benefit plan.
156	b. Pharmacy benefits manager does not include any of
157	the following:
158	1. A <u>healthcare</u> <u>health care</u> facility licensed in this
159	state.
160	2. A <u>healthcare</u> <u>health care</u> professional licensed in
161	this state.
162	3. A consultant who only provides advice as to the
163	selection or performance of a pharmacy benefits manager.
164	(10) PBM AFFILIATE. A pharmacy or pharmacist that,
165	directly or indirectly, through one or more intermediaries, is
166	owned or controlled by, or is under common control by, a
167	pharmacy benefits manager.
168	(11) (14) PRESCRIPTION DRUGS Includes but is not

169	limited to, certain infusion, compounded, and long-term care
170	prescription drugs. The term does not include specialty drugs.
171	(15) REBATE. Any payments or price concessions that
172	accrue to a pharmacy benefits manager or its health benefit
173	plan client, directly or indirectly, including through its PBM
174	affiliate or its subsidiary, third party, or intermediary,
175	including an off-shore purchasing organization, from a
176	pharmaceutical manufacturer or its affiliate, subsidiary,
177	third party, or intermediary. The term includes, but is not
178	limited to, payments, discounts, administration fees, credits,
179	incentives, or penalties associated, directly or indirectly,
180	in any way with claims administered on behalf of a health
181	benefit plan.
182	$\frac{(12)}{(16)}$ SPECIALTY DRUGS. Prescription medications that
183	require special handling, administration, or monitoring and
184	are used for the treatment of patients with serious health
185	conditions requiring complex therapies, and that are eligible
186	for specialty tier placement by the Centers for Medicare and
187	Medicaid Services pursuant to 42 C.F.R. § 423.560.
188	(17) SPREAD PRICING. A prescription drug pricing model
189	used by a pharmacy benefits manager in which the pharmacy
190	benefits manager charges a health benefit plan a contracted
191	price for a prescription drug which is higher than the amount
192	the pharmacy benefits manager pays the pharmacy for the
193	<pre>prescription drug.</pre>
194	(18) STEERING. The term includes all of the following
195	<pre>practices by a pharmacy benefits manager:</pre>
106	a Directing ordering or requiring a covered





- individual to use a specific pharmacy, including a PBM

 affiliate pharmacy, for the purpose of filling a prescription

 or receiving pharmacist services.
 - b. Inducing a covered individual to use a designated pharmacy, including a PBM affiliate pharmacy, by increasing costs to the health benefit plan or charging the covered individual up to the full cost for a prescription drug if the covered individual fails to use the pharmacy designated by the pharmacy benefits manager.
- 206 <u>c. Advertising, marketing, or promoting a pharmacy,</u>
 207 <u>including a PBM affiliate pharmacy, over another in-network</u>
 208 pharmacy.
- d. Engaging in any practice that results in excluding,
 restricting, or inhibiting an in-network pharmacy from
 providing prescription drugs to beneficiaries under a health
 benefit plan, which may involve, but not be limited to, the
 use of credentialing or accreditation standards, day supply
 limitations, or delivery method limitations.
 - e. Engaging in any practice aimed at directly or indirectly influencing a pharmaceutical manufacturer to limit its distribution of a prescription drug to certain pharmacies or to restrict distribution of the drug to non-PBM affiliate pharmacies."
- 220 "\$27-45A-5

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221 (a) The commissioner may adopt rules necessary to

222 implement this chapter It shall be the responsibility of the

223 commissioner to enforce this chapter and any conduct arising

224 from any action taken by a pharmacy benefits manager or PBM

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a	ffiliate pursuant to an audit conducted under Article 8,
<u>C</u>	hapter 23, Title 34, which violates this chapter.
	(b) The commissioner shall adopt rules necessary to
iı	mplement and enforce this chapter, both independently and in
C	onjunction with the conduct of an audit by a pharmacy
b	enefits manager or PBM affiliate under Article 8, Chapter 23,
Τ.	itle 34, to include the authority to set a complaint filing
f	ee of no more than one hundred dollars (\$100) to be paid by a
p]	harmacy or pharmacist with any complaint alleging a violation
0	f Article 8, Chapter 23, Title 34, which fee shall be repaid
t	o the complaining pharmacy or pharmacist by the pharmacy
b	enefits manager or PBM affiliate in the event the violation
i	s proven. The commissioner may waive the complaint filing fee
a [·]	t his or her discretion.
	(c) The commissioner shall set and impose civil
p	enalties of not less than one thousand dollars (\$1,000) per
V.	iolation for violations of this chapter, including conduct
a:	rising from an action taken by a pharmacy benefits manager or
P.	BM affiliate pursuant to Article 8, Chapter 23, Title 34,
W.	nich violates this chapter.
	(b) (d) The powers and duties set forth in this chapter
s.	hall be in addition to all other authority of the
C	ommissioner.
	(c) (e) The commissioner shall enforce compliance with
t!	he requirements of this chapter and rules adopted thereunder.
	$\frac{\text{(d)}}{\text{(f)}}$ (1) The commissioner may examine or audit.
<u>i</u> :	ncluding on an annual basis, any books and records of a
p]	harmacy benefits manager providing claims processing services



253	or other prescription drug or device services for a health
254	benefit plan as may be deemed relevant and necessary by the
255	commissioner to determine compliance with this chapter and
256	Article 8, Chapter 23, Title 34.

- (2) Examinations conducted by the commissioner shall be pursuant to the same examination authority of the commissioner relative to insurers as provided in Chapter 2, including, but not limited to, the confidentiality of documents and information submitted as provided in Section 27-2-24; examination expenses shall be processed in accordance with Section 27-2-25; and pharmacy benefits managers shall have the same rights as insurers to request a hearing in accordance with Sections 27-2-28 et seq., and to appeal as provided in Section 27-2-32.
- 267 (3) The commissioner may contract the services of a
 268 third party to perform an examination or audit under this
 269 subsection.
- (e) (g) The commissioner's examination expenses shall be collected from pharmacy benefits managers in the same manner as those collected from insurers."
- 273 "\$27-45A-6

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- 274 (a) Nothing in this chapter is intended or shall be 275 construed to do any of the following:
- 276 (1) Be in conflict with existing relevant federal law.
- 277 (2) Apply to any specialty drug.
- 278 $\frac{(3)}{(2)}$ Impact the ability of a hospital to mandate its employees' use of a hospital-owned pharmacy.
- 280 (b) The following provisions shall not apply to the

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admir	nistration by a person of any term, including prescription
drug	benefits, of a self-funded health benefit plan that is
gove:	rned by the federal Employee Retirement Income Security
Act (of 1974, 29 U.S.C. \$1001 et. seq.:
	(1) Subdivisions (1) and (5) of Section 27-45A-8.
	(2) Subdivisions (2), (3), (6), and (7) of Section
27-4 !	5 A-10. "
	"\$27-45A-7
	Reserved (a) Any pharmacy or pharmacist, health care
prov	ider, health insurer, or covered individual who is injured
by ar	ny violation of this chapter, alone or in conjunction with
an aı	udit performed by a pharmacy benefits manager or PBM
affi.	liate pursuant to Article 8, Chapter 23, Title 34, may
bring	g a civil action against the pharmacy benefits manager or
PBM a	affiliate.
	(b) In any action brought under this section, in
addi!	tion to any other remedies provided by law, an injured
perso	on may recover any of the following:
	(1) Actual damages, including reimbursement for costs
incu	rred due to reductions in payment, delays, or denials.
	(2) No less than one thousand dollars (\$1,000) per
<u>viol</u> a	ation of this chapter, or treble the amount of actual
damag	ges, whichever is greater, if the pharmacy benefits
manag	ger or PBM affiliate is found to have knowingly or
reck.	lessly committed the violation.
	(3) Injunctive relief upon a finding by the court that
the p	pharmacy benefits manager or PBM affiliate has, or is
about	t to, violate this chapter."



309 "\$27-45A-8

- 310 <u>(a)</u> A pharmacy benefits manager may not do any of the 311 following:
- 312 (1) Require a covered individual, as a condition of 313 payment or reimbursement, to purchase pharmacist services, 314 including, but not limited to, prescription drugs, exclusively 315 through a mail-order pharmacy or pharmacy benefits manager 316 affiliate.
 - (2) Prohibit or limit any covered individual from selecting an in-network pharmacy or pharmacist of his or her choice who meets and agrees to the terms and conditions, including reimbursements, in the pharmacy benefits manager's contract.
 - (3) Impose a monetary advantage or penalty under a health benefit plan that would affect a covered individual's choice of pharmacy among those pharmacies that have chosen to contract with the pharmacy benefits manager under the same terms and conditions, including reimbursements. For purposes of this subdivision, "monetary advantage or penalty" includes, but is not limited to, a higher copayment, a waiver of a copayment, a reduction in reimbursement services, a requirement or limit on the number of days of a drug supply for which reimbursement will be allowed, or a promotion of one participating pharmacy over another by these methods.
 - (4) a. Use a covered individual's pharmacy services data collected pursuant to the provision of claims processing services for the purpose of soliciting, marketing, or referring the covered individual to a mail-order pharmacy or



337 PBM affiliate.

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- 338 b. This subdivision shall not limit a health benefit 339 plan's use of pharmacy services data for the purpose of 340 administering the health benefit plan.
- 341 c. This subdivision shall not prohibit a pharmacy 342 benefits manager from notifying a covered individual that a 343 less costly option for a specific prescription drug is 344 available through a mail-order pharmacy or PBM affiliate, 345 provided the notification shall state that switching to the less costly option is not mandatory. The commissioner, by 346 347 rule, may determine the language of the notification 348 authorized under this paragraph made by a pharmacy benefits 349 manager to a covered individual.
 - (5) Require a covered individual to make a payment for a prescription drug at the point of sale in an amount that exceeds the lessor of the following:
- 353 a. The contracted cost share amount.
- b. An amount an individual would pay for a prescriptionif that individual were paying without insurance.
 - (6) Otherwise seek to limit, control, or influence the utilization of a pharmacy or pharmacist services by a covered individual through any of the practices of steering.
 - (a), including activities that qualify as other prescription drug or device services, are required of a pharmacy benefits manager pursuant to its contractual duties under a health benefits plan, the pharmacy benefits manager shall not be subject to this section."



365	"\$27-45A-10
366	With respect to a pharmacist or pharmacy, Aa pharmacy
367	benefits manager, directly or through an affiliate or a
368	<pre>contracted third party, may not do any of the following:</pre>
369	(1) Reimburse an in-network pharmacy or pharmacist in
370	the state an amount less than the amount that the pharmacy
371	benefits manager reimburses a similarly situated PBM affiliate
372	for providing the same pharmacist services to covered
373	individuals in the same health benefit plan.
374	(2) Practice spread pricing in this state unless
375	required under the health benefit plan. If spread pricing is
376	practiced pursuant to the health benefit plan, the pharmacy
377	benefits manager shall submit an annual report to the
378	commissioner which discloses the differences between the
379	amount the health benefit plan is charged and the amount
380	network pharmacies are reimbursed.
381	$\frac{(2)}{(3)}$ Deny a pharmacy or pharmacist the right to
382	participate as a <pre>contractnetwork</pre> provider if the pharmacy or
383	pharmacist meets and agrees to the terms and conditions,
384	including reimbursements, in the pharmacy benefits manager's
385	contract, including an independent pharmacy that qualifies for
386	reimbursement at the minimum rate established in Section

(3)(4) Impose credentialing standards on a pharmacist or pharmacy beyond or more onerous than the licensing standards set by the Alabama State Board of Pharmacy or charge a pharmacy or pharmacist any fee in connection with in regard

27-45A-13(a)(1), notwithstanding any term to the contrary in

the pharmacy benefits manager's contract.

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393	to, without limitation, network enrollment, network
394	participation, credentialing or recredentialing, change of
395	ownership, submission of claims, transmission of claims,
396	adjudication of claims, claims processed through discount card
397	programs, or otherwise, if not in conjunction with an audit
398	conducted pursuant to Article 8, Chapter 23, Title 34;
399	provided, however, this subdivision shall not prohibit a
400	pharmacy benefits manager from setting minimum requirements
401	for participating in a pharmacy network.
402	$\frac{(4)}{(5)}$ Prohibit a pharmacist or pharmacy from providing
403	a covered individual specific information on the amount of the
404	covered individual's cost share for the covered individual's
405	prescription drug and the clinical efficacy of a more
406	affordable alternative drug if one is available, or penalize a
407	pharmacist or pharmacy for disclosing this information to a
408	covered individual or for selling to a covered individual a
409	more affordable alternative if one is available with any
410	relevant information about a prescription drug, including the
411	<pre>following:</pre>
412	a. The cost and reimbursement amount of the drug.
413	b. An alternative drug.
414	c. Any other information considered to be necessary in
415	the professional judgment of the pharmacist.
416	$\frac{(5)}{(6)}$ Prohibit a pharmacist or pharmacy from offering
417	and providing delivery services to a covered individual as an
418	ancillary service of the pharmacy, provided all of the
419	following requirements are met:
420	a. The pharmacist or pharmacy can demonstrate quality,



- 421 stability, and safety standards during delivery.
- b. The pharmacist or pharmacy does not charge any
- 423 delivery or service fee to a pharmacy benefits manager or
- 424 health insurer.
- 425 c. The pharmacist or pharmacy alerts the covered
- 426 individual that he or she will be responsible for any delivery
- 427 service fee associated with the delivery service, and that the
- 428 pharmacy benefits manager or health insurer will not reimburse
- 429 the delivery service fee.
- 430 $\frac{(6)}{(7)}$ (7) Charge or hold a pharmacist or pharmacy
- 431 responsible for a fee or penalty relating to an audit
- 432 conducted pursuant to The Pharmacy Audit Integrity Act,
- 433 Article 8of, Chapter 23of, Title 34, provided this
- 434 prohibition does not restrict recoupments made in accordance
- 435 with the Pharmacy Audit Integrity Act.
- 436 $\frac{(7)}{(8)}$ (8) Charge a pharmacist or pharmacy a point-of-sale
- or retroactive fee or otherwise recoup funds from a pharmacy
- 438 in connection with claims for which the pharmacy has already
- been paid, unless the recoupment is made pursuant to an audit
- 440 conducted in accordance with the Pharmacy Audit Integrity
- 441 ActArticle 8, Chapter 23, Title 34.
- 442 (9) Except for a drug reimbursed, directly or
- 443 indirectly, by the Medicaid program, vary the amount a
- 444 pharmacy benefits manager reimburses an entity for a drug,
- 445 including each and every prescription medication that is
- 446 eligible for specialty tier placement by the Centers for
- 447 Medicare and Medicaid Services pursuant to 42 C.F.R. §
- 448 423.560, regardless of any provision of law to the contrary,



- 449 on the basis of whether:
- a. The drug is subject to an agreement under 42 U.S.C.
- 451 \\$ 256b; or
- b. The entity participates in the program set forth in
- 453 42 U.S.C. § 256b.
- $\frac{(9)}{(10)}$ If an entity participates, directly or
- indirectly, in the program set forth in 42 U.S.C. § 256b, do
- 456 any of the following:
- 457 a. Assess a fee, charge-back, or other adjustment on
- 458 the entity.
- b. Restrict access to the pharmacy benefits manager's
- 460 pharmacy network.
- 461 c. Require the entity to enter into a contract with a
- specific pharmacy to participate in the pharmacy benefits
- 463 manager's pharmacy network.
- d. Create a restriction or an additional charge on a
- patient who chooses to receive drugs from the entity.
- 466 e. Create any additional requirements or restrictions
- 467 on the entity.
- 468 $\frac{(10)}{(11)}$ Require a claim for a drug to include a
- 469 modifier to indicate that the drug is subject to an agreement
- 470 under 42 U.S.C. § 256b.
- $\frac{(11)}{(12)}$ Penalize or retaliate against a pharmacist or
- 472 pharmacy for exercising rights under this chapter or the
- 473 Pharmacy Audit Integrity Act Article 8, Chapter 23, Title 34.
- 474 For purposes of this subdivision, the conduct prohibited
- 475 includes any written or verbal communication that a reasonable
- 476 individual would construe as a threat of penalty or



177	retalia	ation	receiv	red be:	fore	or	in	the	C	ourse	of	exe	rcising	<u>3</u>
178	rights	under	this	chapte	er or	Ar	tic	le	8,	Chapt	er	23,	Title	34.

- (13) Prohibit a pharmacist or pharmacy from declining to dispense a drug to a covered individual, or directing a covered individual to another pharmacy, if the reimbursement amount would be lower than the dispensing cost of the pharmacist or pharmacy.
- 484 (14) Take retaliatory action against, or impose any
 485 penalty on, a pharmacist or pharmacy who declines to dispense
 486 a drug to a covered individual under subdivision (13),
 487 including cancellation or nonrenewal of a contract, or suit
 488 for breach of contract."
- Section 3. Sections 27-45A-13 and 27-45A-14 are added to the Code of Alabama 1975, to read as follows:

491 \$27-45A-13

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- 492 (a) Notwithstanding any other provision of this chapter 493 or any form of a contract to the contrary, with respect to an 494 independent pharmacy, a pharmacy benefits manager, directly or 495 through an affiliate or a contracted third party, may not do 496 any of the following:
 - (1) Reimburse for dispensing a prescription drug in an amount that is less than the Medicaid reimbursement rate.
- 499 (2) Impose a fee or otherwise adjust or lower the
 500 reimbursement of a drug at the time the claim is adjudicated,
 501 or after the claim is adjudicated, that in any way reduces the
 502 amount of reimbursement for the drug as regulated pursuant to
 503 subdivision (1).
 - (3) Increase a covered individual's cost-sharing

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percentage or ratio at or after the point of sale by raising
the deductible, copayment, or coinsurance, or by requiring any
other out-of-pocket payment as a means to recoup the
dispensing cost portion of the reimbursement required pursuant
to subdivision (1).

- (4) Reject payment of a claim for a drug that is submitted by an independent pharmacy when the drug is available to a covered individual at a different in-network pharmacy; provided, however, if the drug is dispensed by the different in-network pharmacy, the pharmacy benefits manager shall pay the independent pharmacy a surcharge equal to the reimbursement that would have been paid pursuant to subdivision (1) had the independent pharmacy dispensed the drug.
 - (b) A health benefit plan that covers individuals who are public employees and which reimburses independent pharmacies for dispensing prescription drugs during its plan year in an aggregate amount that is higher than would otherwise be calculated using the rate set in subdivision (a) (1), upon proof of the same submitted to the commissioner, shall be exempt from this section.
 - (c) Subsequent to repeal of this section as provided in subsection (d), a pharmacy benefits manager, directly or through an affiliate or a contracted third party, may not charge an independent pharmacy a retroactive fee, adjust a reimbursement for a claim already adjudicated and paid, or otherwise take any action calculated to recover any amount previously paid to an independent pharmacy in compliance with





533	subdivision (a)(1).
534	(d) This section is repealed on October 1, 2027.
535	\$27-45A-14
536	A pharmacy benefits manager, either directly or through
537	a PBM affiliate, when performing pharmacy benefits management
538	services or other prescription drug or device services for a
539	health benefit plan client, shall pass on 100 percent of all
540	rebates received, directly or indirectly, from a
541	pharmaceutical manufacturer unless the health benefit plan
542	client directs the pharmacy benefits manager or PBM affiliate
543	to apply the rebates to purchases of prescription drugs by
544	covered individuals at the point of sale.
545	Section 4. In the event of an enactment by the United
546	States Congress of a law that preempts the operation of any
547	provision of this act, it is the intent of the Legislature
548	that any remaining provision of this act that is unaffected by

Section 5. This act shall become effective immediately upon the signature of the Governor.

the congressional enactment remain in effect.