

**Senator Curtis S. Bramble** proposes the following substitute bill:

**PHARMACY BENEFITS MANAGER ACT**

2011 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Evan J. Vickers**

Senate Sponsor: Curtis S. Bramble

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**LONG TITLE**

**General Description:**

This bill enacts the Pharmacy Benefits Manager Act.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ provides that when the Utah State Retirement Board (board) issues a request for proposals (RFP) for a pharmacy benefits manager (PBM) to provide pharmacy benefits management services for the Public Employees' Benefit and Insurance Program (program), the RFP shall provide each responder with the option to include, among the billing options proposed, a billing option that requires the PBM to, on at least a monthly basis, submit to the board an invoice for all pharmacy services paid by the PBM on behalf of the program since the last request for payment or reimbursement; and
- ▶ provides that an invoice described in the preceding paragraph shall state, as a separate item from any other amount:
  - the total amount due to the pharmacy benefit manager for all pharmacy services billed in the invoice; and
  - the total amount paid by the pharmacy benefit manager for the same pharmacy



26 services for which payment is sought in that invoice.

27 **Money Appropriated in this Bill:**

28 None

29 **Other Special Clauses:**

30 None

31 **Utah Code Sections Affected:**

32 ENACTS:

33 **49-20-501**, Utah Code Annotated 1953

34 **49-20-502**, Utah Code Annotated 1953

35 **49-20-503**, Utah Code Annotated 1953



37 *Be it enacted by the Legislature of the state of Utah:*

38 Section 1. Section **49-20-501** is enacted to read:

39 **Part 5. Pharmacy Benefits Manager Act**

40 **49-20-501. Title.**

41 This part is known as the "Pharmacy Benefits Manager Act."

42 Section 2. Section **49-20-502** is enacted to read:

43 **49-20-502. Definitions.**

44 As used in this part:

45 (1) "Health benefit plan" means:

46 (a) a health benefit plan as defined in Section 31A-1-301; or

47 (b) a health, dental, medical, Medicare supplement, or conversion program offered

48 under Title 49, Chapter 20, Public Employees' Benefit and Insurance Program Act.

49 (2) "Pharmacist" is as defined in Section 58-17b-102.

50 (3) "Pharmacy" is as defined in Section 58-17b-102.

51 (4) "Pharmacy benefits management service" means any of the following services

52 provided to a health benefit plan, or to a participant of the health benefit plan:

53 (a) negotiating the amount to be paid by a health benefit plan for a prescription drug; or

54 (b) administering or managing prescription drug benefits provided by the health benefit

55 plan for the benefit of a participant of the health benefit plan, including:

56 (i) mail service pharmacy;

- 57 (ii) specialty pharmacy;
- 58 (iii) claims processing;
- 59 (iv) payment of a claim;
- 60 (v) retail network management;
- 61 (vi) clinical formulary development;
- 62 (vii) clinical formulary management services;
- 63 (viii) rebate contracting;
- 64 (ix) rebate administration;
- 65 (x) a participant compliance program;
- 66 (xi) a therapeutic intervention program;
- 67 (xii) a disease management program; or
- 68 (xiii) a service that is similar to, or related to, a service described in Subsection (4)(a)
- 69 or (4)(b)(i) through (xii).

70 (5) "Pharmacy benefits manager" means a person that provides a pharmacy benefits  
71 management service to a health benefit plan.

72 (6) "Pharmacy service" means a product, good, or service provided by a pharmacy or  
73 pharmacist to an individual.

74 Section 3. Section **49-20-503** is enacted to read:

75 **49-20-503. Request for proposals for pharmacy benefits manager for Public**  
76 **Employees' Benefit and Insurance Program.**

77 (1) When the board issues a request for proposals for a pharmacy benefits manager to  
78 provide pharmacy benefits management services for the program, the request for proposals  
79 shall provide each responder with the option to include, among the billing options proposed, a  
80 billing option that complies with the requirements described in this section.

81 (2) The billing option described in Subsection (1) shall require the pharmacy benefits  
82 manager to, on at least a monthly basis, submit to the board an invoice for all pharmacy  
83 services paid by the pharmacy benefits manager on behalf of the program since the last request  
84 for payment or reimbursement.

85 (3) The invoice described in Subsection (2) shall state, as a separate item from any  
86 other amount:

87 (a) the total amount due to the pharmacy benefits manager for all pharmacy services

88 billed in the invoice; and

89 (b) the total amount paid by the pharmacy benefits manager for the same pharmacy

90 services for which payment is sought in that invoice.

# FISCAL NOTE

H.B. 16 3rd Sub. (Cherry)

SHORT TITLE: **Pharmacy Benefits Manager Act**

SPONSOR: **Bramble, C.**

2011 GENERAL SESSION, STATE OF UTAH

STATE GOVERNMENT (UCA 36-12-13(2)(b))

Enactment of this bill likely will not materially impact the state budget.

LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

Enactment of this bill likely will not result in direct, measurable costs for local governments.

DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Enactment of this bill likely will not result in direct, measurable expenditures by Utah residents or businesses.