

PHARMACY BENEFITS MANAGER ACT

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Evan J. Vickers

Senate Sponsor: _____

LONG TITLE

Committee Note:

The Health and Human Services Interim Committee recommended this bill.

General Description:

This bill enacts the Pharmacy Benefits Manager Act.

Highlighted Provisions:

This bill:

▶ defines terms;
▶ requires a pharmacy benefits manager that provides a service to a health benefit plan to provide an itemized statement when:

• requesting or accepting payment or reimbursement for a pharmacy service from a health benefit plan; or

• disclosing an expenditure for a pharmacy service to a health benefit plan; and

▶ makes it a misdemeanor violation of the Unfair Practices Act to violate the requirements of this act.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:



- 28 **13-48-101**, Utah Code Annotated 1953
- 29 **13-48-102**, Utah Code Annotated 1953
- 30 **13-48-201**, Utah Code Annotated 1953
- 31 **13-48-301**, Utah Code Annotated 1953

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

34 Section 1. Section **13-48-101** is enacted to read:

35 **CHAPTER 48. PHARMACY BENEFITS MANAGER ACT**

36 **Part 1. General Provisions**

37 **13-48-101. Title.**

38 This chapter is known as the "Pharmacy Benefits Manager Act."

39 Section 2. Section **13-48-102** is enacted to read:

40 **13-48-102. Definitions.**

41 As used in this chapter:

42 (1) "Health benefit plan" means:

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

44 (b) a health, dental, medical, Medicare supplement, or conversion program offered
45 under Title 49, Chapter 20, Public Employees' Benefit and Insurance Program Act.

46 (2) "Itemized statement" means a statement, itemized by individual claim, that
47 includes:

48 (a) the amount actually paid or to be paid to the pharmacy or pharmacist for a
49 pharmacy service;

50 (b) the identity of the pharmacy or pharmacist paid or to be paid; and

51 (c) the prescription number or other identifier of the pharmacy service.

52 (3) "Pharmacist" is as defined in Section 58-17b-102.

53 (4) "Pharmacy" is as defined in Section 58-17b-102.

54 (5) "Pharmacy benefits management service" means any of the following services
55 provided to a health benefit plan, or to a participant of the health benefit plan:

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

57 (b) administering or managing prescription drug benefits provided by the health benefit
58 plan for the benefit of a participant of the health benefit plan, including:

- 59 (i) mail service pharmacy;
- 60 (ii) specialty pharmacy;
- 61 (iii) claims processing;
- 62 (iv) payment of a claim;
- 63 (v) retail network management;
- 64 (vi) clinical formulary development;
- 65 (vii) clinical formulary management services;
- 66 (viii) rebate contracting;
- 67 (ix) rebate administration;
- 68 (x) a participant compliance program;
- 69 (xi) a therapeutic intervention program;
- 70 (xii) a disease management program; or
- 71 (xiii) a service that is similar to, or related to, a service described in Subsection (5)(a)
- 72 or (5)(b)(i) through (xii).

73 (6) "Pharmacy benefits manager" means a person that provides a pharmacy benefits
 74 management service to a health benefit plan.

75 (7) "Pharmacy service" means a product, good, or service provided by a pharmacy or
 76 pharmacist to an individual.

77 Section 3. Section **13-48-201** is enacted to read:

Part 2. Disclosures and Payment

13-48-201. Itemized statement required.

80 (1) A pharmacy benefits manager may not request or accept payment or reimbursement
 81 to or from a health benefit plan for providing a pharmacy service, unless the pharmacy benefits
 82 manager provides an itemized statement to the health benefit plan for the pharmacy service.

83 (2) When a pharmacy benefits manager reports an expenditure to a health benefit plan
 84 for a pharmacy service, the pharmacy benefits manager shall include in the expenditure report
 85 an itemized statement for the pharmacy service.

86 (3) Subject to the requirements of law, a pharmacy benefits manager may, by contract
 87 with a health benefit plan, protect proprietary information contained in an itemized statement
 88 from disclosure by the health benefit plan.

89 Section 4. Section **13-48-301** is enacted to read:

90 **Part 3. Enforcement**

91 **13-48-301. Penalty for violation.**

92 A person who violates this section has engaged in an unfair and deceptive trade practice
93 in violation of Title 13, Chapter 5, Unfair Practices Act, and is subject to the penalties
94 described in Section 13-5-15.

Legislative Review Note
as of 11-18-10 6:49 AM

Office of Legislative Research and General Counsel

FISCAL NOTE

H.B. 16, 2011 General Session

SHORT TITLE: Pharmacy Benefits Manager Act

SPONSOR: Vickers, E.

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 and/or benefits 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.