

## SB0208S04 compared with SB0208S03

~~text~~ shows text that was in SB0208S03 but was deleted in SB0208S04.

Inserted text shows text that was not in SB0208S03 but was inserted into SB0208S04.

**DISCLAIMER:** This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Paul Ray proposes the following substitute bill:

### PHARMACY BENEFITS MANAGER OR COORDINATOR

#### AMENDMENTS

2018 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Evan J. Vickers**

House Sponsor: Paul Ray

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#### LONG TITLE

##### General Description:

This bill amends the Pharmacy Practice Act.

##### Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires a pharmacy ~~benefits manager or coordinator~~service entity that uses direct or indirect remuneration to report certain information to pharmacies or the pharmacies' pharmacy services administration organization; and
- ▶ prohibits a pharmacy benefits manager or coordinator from preventing a pharmacist from disclosing cost information to a patient.

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### Money Appropriated in this Bill:

None

### Other Special Clauses:

None

### Utah Code Sections Affected:

ENACTS:

**58-17b-626**, Utah Code Annotated 1953

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

Section 1. Section **58-17b-626** is enacted to read:

**58-17b-626. Direct or indirect remuneration by pharmacy benefits managers --**

#### **Disclosure of customer costs.**

(1) As used in this section:

(a) "Cost share" means the amount paid by an insured customer under the customer's health benefit plan.

(b) "Direct or indirect remuneration" means any adjustment in the total compensation:

(i) received by a pharmacy from a pharmacy benefits manager or coordinator for the sale of a drug, device, or other product or service; and

(ii) that is determined after the sale of the product or service.

(c) "Health benefit plan" means the same as that term is defined in Section 31A-1-301.

(d) "Pharmacy services administration organization" means an entity that contracts with a pharmacy to assist with third-party payer interactions and administrative services related to third-party payer interactions, including:

(i) contracting with a pharmacy benefits manager or coordinator on behalf of the pharmacy; and

(ii) managing a pharmacy's claims payments from third-party payers.

(e) "Pharmacy service entity" means:

(i) a pharmacy services administration organization; or

(ii) a pharmacy benefits manager or coordinator.

(f) (i) "Reimbursement report" means a report on the adjustment in total compensation for a claim.

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(ii) "Reimbursement report" does not include a report on adjustments made pursuant to a pharmacy audit or reprocessing.

(~~ff~~g) "Sale" means a prescription drug claim covered by a health benefit plan.

(2) If a pharmacy ~~{benefits manager or coordinator}~~ ~~service entity~~ engages in direct or indirect remuneration with a pharmacy, the pharmacy ~~{benefits manager or coordinator}~~ ~~service entity~~ shall make a reimbursement report available to the pharmacy upon the pharmacy's request.

(3) For the reimbursement report described in Subsection (2), the pharmacy ~~{benefits manager or coordinator}~~ ~~service entity~~ shall:

(a) include the adjusted compensation amount related to a claim and the reason for the adjusted compensation; and

(b) provide the reimbursement report:

(i) in accordance with the contract between the pharmacy and the pharmacy service entity;

(ii) in an electronic format that is easily accessible; and

(iii) within ~~{90}~~ 120 days after the day on which the pharmacy benefits manager or coordinator receives a report of a sale of a product or service by the pharmacy.

(4) A pharmacy ~~{services administration organization and a pharmacy benefits manager or coordinator}~~ ~~service entity~~ shall, upon a pharmacy's request, provide the pharmacy with:

(a) the reasons for any adjustments contained in a reimbursement report; and

(b) an explanation of the reasons provided in Subsection (4)(a).

(5) (a) A pharmacy benefits manager or coordinator may not prohibit or penalize the disclosure by a pharmacist of:

(i) an insured customer's cost share for a covered prescription drug;

(ii) the availability of any therapeutically equivalent alternative medications; or

(iii) alternative methods of paying for the prescription medication, including paying the cash price, that are less expensive than the cost share of the prescription drug.

(b) Penalties that are prohibited under Subsection (5)(a) include increased utilization review, reduced payments, and other financial disincentives.

(6) A pharmacy benefits manager or coordinator may not require an insured customer

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to pay, ~~at the point of sale~~ for a covered prescription drug, more than the lesser of:

- (a) the applicable cost share of the prescription drug being dispensed; or
- (b) the retail price of the drug without prescription drug coverage.