

119 network of pharmacy providers.

120 (f) "Pharmacy benefit manager" means the same as that term is defined in Section
 121 31A-46-102.

122 ~~(f)~~ (g) "Prescription drug" means a prescription drug, as defined in Section
 123 58-17b-102, that is prescribed for a chronic condition.

124 (h) "Rebate" means the same as that term is defined in Section 31A-46-102.

125 (i) "Standard rebate amount" means a rebate amount that:

126 (i) is estimated and set by a health benefit plan or the health benefit plan's pharmacy
 127 benefit manager for a drug ~~§~~→ [product] or device ←~~§~~ ;

128 (ii) adjusts each quarter based on rebate underpayments or overpayments; and

129 (iii) is applied when the drug ~~§~~→ [product] or device ←~~§~~ is purchased.

130 (2) A health insurance plan may not charge an amount in excess of the copay for the
 131 dispensing of a prescription drug in a quantity less than the prescribed amount if:

132 (a) the pharmacy dispenses the prescription drug in accordance with the health insurer's
 133 synchronization policy; and

134 (b) the prescription drug is dispensed by a network pharmacy.

135 (3) A health insurance plan that includes a prescription drug benefit:

136 (a) shall implement a synchronization policy for the dispensing of prescription drugs to
 137 the plan's enrollees; and

138 (b) may not base the dispensing fee for an individual prescription on the quantity of the
 139 prescription drug dispensed to fill or refill the prescription unless otherwise agreed to by the
 140 plan and the contracted pharmacy at the time the individual requests synchronization.

141 (4) ~~[This section applies to health benefit plans renewed or entered into on or after~~
 142 ~~January 1, 2015.]~~

143 (a) A health benefit plan and the health benefit plan's pharmacy benefit manager shall
 144 ensure that each pharmaceutical manufacturer rebate is used exclusively to benefit enrollees
 145 using one or multiple of the following methods:

146 (i) passing down the rebate to the point of sale to offset an enrollee's deductible or
 147 coinsurance;

148 (ii) using the rebate to reduce premiums paid by ~~§~~→ [the enrollee] enrollees ←~~§~~ ;

149 (iii) using the rebate to enhance enrollee health benefits; or

150 (iv) the health benefit plan:

151 (A) when choosing among one or more prescription drugs or devices that are all
152 deemed clinically appropriate for inclusion into the health benefit plan's formulary, basing any
153 financial consideration for inclusion into the formulary exclusively on the lowest net price of a
154 prescription drug or device after accounting for available rebates, discounts, or other price
155 concessions; and

156 (B) ensuring any cost sharing obligation to the enrollee is based on the lowest net price
157 at the time the drug or device is purchased.

158 (b) When passing down a rebate as described in Subsection (4)(a)(i), a health benefit
159 plan or the health benefit plan's pharmacy benefit manager may:

160 (i) divide the rebate between the health benefit plan and the enrollee in a manner that is
161 proportional to the enrollee's payment obligation; or

162 (ii) use a standard rebate amount.

162a **§→ (c) A health benefit plan or pharmacy benefit manager may reduce the value of a rebate**
162b **passed through at the time a drug or device is purchased if the health benefit plan or**
162c **pharmacy benefit manager:**

162d **(i) knows that the cost sharing requirement is being paid on behalf of the enrollee by another**
162e **person unless the person paying:**

162f **(A) is a health benefit plan or pharmacy benefit manager providing a benefit; or**

162g **(B) would not directly or indirectly benefit from the enrollee purchasing the drug or device;**

162h **and**

162i **(ii) is using a method described in Subsection (4)(a)(i) or (iv).**

162j **(d) Rebates reduced under Subsection (4)(c) shall be used to reduce premiums or otherwise**
162k **benefit enrollees in the current or subsequent plan year. ←§**

163 (5) A health benefit plan may not prohibit or condition participation in one pharmacy
164 network on participation in another pharmacy network.

165 (6) A health benefit plan and the health benefit plan's pharmacy benefit manager shall
166 use any administrative fee excess to reduce enrollee premiums.

167 (7) Subsections (4) through (6) apply to a health benefit plan renewed or entered into
168 on or after July 1, 2025.

169 Section 3. Section 31A-46-102 is amended to read:

170 **31A-46-102. Definitions.**

171 As used in this chapter:

172 (1) "340B drug" means a drug purchased through the 340B drug discount program by a

243 (23) "Pharmacy service" means a product, good, or service provided to an individual by
244 a pharmacy or pharmacist.

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

248 (a) contracting with a pharmacy benefit manager on behalf of the pharmacy; and

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

250 (25) "Pharmacy service entity" means:

251 (a) a pharmacy services administration organization; or

252 (b) a pharmacy benefit manager.

253 (26) "Prescription device" means the same as that term is defined in Section
254 58-17b-102.

255 (27) "Prescription drug" means the same as that term is defined in Section 58-17b-102.

256 (28) (a) "Rebate" ~~[means a refund, discount, or other price concession that is paid by a~~
257 ~~pharmaceutical manufacturer to a pharmacy benefit manager based on a prescription drug's~~
258 ~~utilization or effectiveness.]~~ means a discount or other price concession based on the utilization
259 or effectiveness of a prescription drug ~~or device~~ that is paid by a manufacturer or third
259a party, directly or
260 indirectly, to a pharmacy benefit manager or insurer after a claim has been processed and paid
261 at a pharmacy.

262 (b) "Rebate" includes an incentive, a disbursement, and a reasonable estimate of a
263 volume-based discount.

264 ~~(b)~~ (c) "Rebate" does not include:

265 (i) an administrative fee[-]; or

266 (ii) any administrative fee excess.

267 (29) (a) "Reimbursement report" means a report on the adjustment in total
268 compensation for a claim.

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

271 (30) "Retail pharmacy" means the same as that term is defined in Section 58-17b-102.

272 (31) "Sale" means a prescription drug or prescription device claim covered by a health
273 benefit plan.