

SB0952/707073/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL 952
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Payments” and substitute “Maximum Allowable Cost Pricing”; strike beginning with “its” in line 3 down through “devices” in line 25 and substitute “each contract with a contracted pharmacy, the sources used to determine maximum allowable cost pricing; requiring the pharmacy benefits manager to update its pricing information with a certain frequency and provide a means by which contracted pharmacies may review pricing updates in a certain format; requiring a pharmacy benefits manager to maintain a procedure to eliminate products from a certain list for a certain purpose; requiring a pharmacy benefits manager to ensure that certain conditions are met before placing a prescription drug on a maximum allowable cost list; requiring each contract between a pharmacy benefits manager and a contracted pharmacy to include a certain process for appealing, investigating, and resolving disputes regarding maximum allowable cost pricing; defining certain terms; providing for a delayed effective date; and generally relating to contracts between pharmacy benefits managers and contracted pharmacies and maximum allowable cost pricing”; and in line 28, strike “and 15-1628.2”.

AMENDMENT NO. 2

On page 2, strike in their entirety lines 13 through 18, inclusive; and in lines 19 and 23, strike “**(4)**” and “**(5)**”, respectively, and substitute “**(3)**” and “**(4)**”, respectively.

On pages 2 through 5, strike in their entirety the lines beginning with line 27 on page 2 through line 6 on page 5, inclusive, and substitute:

“(B) IN EACH CONTRACT BETWEEN A PHARMACY BENEFITS MANAGER AND A CONTRACTED PHARMACY, THE PHARMACY BENEFITS MANAGER SHALL

(Over)

INCLUDE THE SOURCES USED TO DETERMINE MAXIMUM ALLOWABLE COST PRICING.

(C) A PHARMACY BENEFITS MANAGER SHALL UPDATE ITS PRICING INFORMATION AT LEAST EVERY 7 DAYS AND PROVIDE A MEANS BY WHICH CONTRACTED PHARMACIES MAY PROMPTLY REVIEW PRICING UPDATES IN A FORMAT THAT IS READILY AVAILABLE AND ACCESSIBLE.

(D) A PHARMACY BENEFITS MANAGER SHALL MAINTAIN A PROCEDURE TO ELIMINATE PRODUCTS FROM THE LIST OF DRUGS SUBJECT TO MAXIMUM ALLOWABLE COST PRICING IN A TIMELY MANNER TO REMAIN CONSISTENT WITH PRICING CHANGES IN THE MARKETPLACE.

(E) BEFORE PLACING A PRESCRIPTION DRUG ON A MAXIMUM ALLOWABLE COST LIST, A PHARMACY BENEFITS MANAGER SHALL ENSURE THAT:

(1) THE DRUG IS LISTED AS "A" OR "B" RATED IN THE MOST RECENT VERSION OF THE U.S. FOOD AND DRUG ADMINISTRATION'S APPROVED DRUG PRODUCTS WITH THERAPEUTIC EQUIVALENCE EVALUATIONS, ALSO KNOWN AS THE ORANGE BOOK, OR HAS AN "NR" OR "NA" RATING OR SIMILAR RATING BY A NATIONALLY RECOGNIZED REFERENCE; AND

(2) THE DRUG IS GENERALLY AVAILABLE FOR PURCHASE BY CONTRACTED PHARMACIES IN THE STATE FROM A NATIONAL OR REGIONAL WHOLESALE DISTRIBUTOR AND IS NOT OBSOLETE.

(F) EACH CONTRACT BETWEEN A PHARMACY BENEFITS MANAGER AND A CONTRACTED PHARMACY MUST INCLUDE A PROCESS TO APPEAL,

INVESTIGATE, AND RESOLVE DISPUTES REGARDING MAXIMUM ALLOWABLE COST PRICING THAT INCLUDES:

(1) A REQUIREMENT THAT AN APPEAL BE FILED NO LATER THAN 21 DAYS AFTER THE DATE OF THE INITIAL CLAIM;

(2) A REQUIREMENT THAT AN APPEAL BE INVESTIGATED AND RESOLVED WITHIN 21 DAYS AFTER THE DATE THE APPEAL IS FILED;

(3) A TELEPHONE NUMBER AT WHICH THE CONTRACTED PHARMACY MAY CONTACT THE PHARMACY BENEFITS MANAGER TO SPEAK TO AN INDIVIDUAL RESPONSIBLE FOR PROCESSING APPEALS;

(4) A REQUIREMENT THAT A PHARMACY BENEFITS MANAGER PROVIDE:

(I) A REASON FOR ANY APPEAL DENIAL; AND

(II) THE NATIONAL DRUG CODE OF A DRUG THAT MAY BE PURCHASED BY THE CONTRACTED PHARMACY AT A PRICE AT OR BELOW THE BENCHMARK PRICE DETERMINED BY THE PHARMACY BENEFITS MANAGER; AND

(5) IF AN APPEAL IS UPHELD, A REQUIREMENT THAT A PHARMACY BENEFITS MANAGER:

(I) MAKE THE CHANGE IN THE MAXIMUM ALLOWABLE COST NO LATER THAN 1 BUSINESS DAY AFTER THE DATE OF DETERMINATION ON THE APPEAL; AND

(II) PERMIT THE APPEALING CONTRACTING PHARMACY TO REVERSE AND REBILL THE CLAIM, AND ANY SUBSEQUENT SIMILAR CLAIMS.

AMENDMENT NO. 3

On page 5, strike in their entirety lines 7 through 10, inclusive; in line 11, strike “3.” and substitute “2.”; and in line 12, strike “July 1, 2014” and substitute “January 1, 2015”.