

AMENDMENTS TO HOUSE BILL NO. 946

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1 Amend Bill, page 1, line 3, by inserting after "MANAGERS"
2 and auditing entities

3 Amend Bill, page 10, lines 9 and 10, by striking out "A
4 HEALTH PROGRAM ADMINISTERED BY A DEPARTMENT OF THE COMMONWEALTH
5 OR ANY" and inserting

6 or an

7 Amend Bill, page 10, lines 10 and 11, by striking out
8 "COMPANY, GROUP OR DEPARTMENT" and inserting

9 covered entity

10 Amend Bill, page 10, line 16, by striking out the comma after
11 "PERSON" and inserting

12 or

13 Amend Bill, page 10, line 16, by striking out "OR GOVERNMENT
14 ENTITY"

15 Amend Bill, page 10, line 17, by striking out "PLAN SPONSOR"
16 and inserting

17 covered entity

18 Amend Bill, page 10, line 22, by striking out "MEMBER,
19 PARTICIPANT, ENROLLEE,"

20 Amend Bill, page 10, line 24, by striking out "COVERAGE PLAN"
21 and inserting

22 insurance policy

23 Amend Bill, page 10, line 27, by striking out "CONTRACT

1 HOLDER OR POLICYHOLDER"

2 Amend Bill, page 10, line 30, by striking out ", CONTRACT OR
3 PLAN" and inserting

4 or contract

5 Amend Bill, page 11, lines 9 through 11, by striking out all
6 of said lines

7 Amend Bill, page 11, by inserting between lines 14 and 15

8 "Health insurance policy." A policy, subscriber contract,
9 certificate or plan that provides prescription drug coverage.
10 The term includes both comprehensive and limited benefit health
11 policies.

12 "Health insurer." An entity licensed by the department with
13 authority to issue a policy, subscriber contract, certificate or
14 plan that provides prescription drug coverage that is offered or
15 governed under any of the following:

16 (1) The act of May 17, 1921 (P.L.682, No.284), known as
17 The Insurance Company Law of 1921, including section 630 and
18 Article XXIV thereof.

19 (2) The act of December 29, 1972 (P.L.1701, No.364),
20 known as the Health Maintenance Organization Act.

21 (3) 40 Pa.C.S. Ch. 61 (relating to hospital plan
22 corporations) or 63 (relating to professional health services
23 plan corporations).

24 Amend Bill, page 11, by inserting between lines 22 and 23

25 "Multiple source generic list." A list of drugs, medical
26 products or devices, or both, for which a maximum allowable cost
27 has been established by a pharmacy benefits manager.

28 Amend Bill, page 12, line 13, by striking out "BENEFICIARIES
29 OF A HEALTH BENEFIT PLAN" and inserting

30 a covered individual

31 Amend Bill, page 12, line 14, by striking out "ANY ENTITY
32 THAT PERFORMS" and inserting

33 The performance of

34 Amend Bill, page 12, lines 22 and 23, by striking out

35 "PROVISION OF ANY OF THE FOLLOWING IN CONJUNCTION WITH THE"

36 Amend Bill, page 12, line 23, by inserting after "benefits"

1 , including
2 Amend Bill, page 12, line 24, by striking out "MAIL-SERVICE"
3 and inserting
4 Operating a mail-service
5 Amend Bill, page 12, line 26, by striking out "RETAIL" and
6 inserting
7 Managing a retail pharmacy
8 Amend Bill, page 12, line 26, by striking out "MANAGEMENT"
9 Amend Bill, page 12, line 27, by striking out "PAYMENT OF"
10 and inserting
11 Paying
12 Amend Bill, page 12, line 27, by striking out "PHARMACIES"
13 and inserting
14 a pharmacy
15 Amend Bill, page 12, line 30, by striking out "CLINICAL" and
16 inserting
17 Developing and managing a clinical
18 Amend Bill, page 12, line 30; page 13, line 1; by striking
19 out "DEVELOPMENT AND MANAGEMENT" in line 30 on page 12 and
20 "SERVICES" in line 1 on page 13
21 Amend Bill, page 13, line 1, by striking out ", BUT NOT
22 LIMITED TO,"
23 Amend Bill, page 13, line 4, by striking out "CERTAIN" and
24 inserting
25 Managing a
26 Amend Bill, page 13, line 5, by striking out "PROGRAMS" and
27 inserting
28 program
29 Amend Bill, page 13, line 6, by striking out "DISEASE" and
30 inserting

1 Operating a disease

2 Amend Bill, page 13, line 6, by striking out "PROGRAMS" and
3 inserting

4 program

5 Amend Bill, page 13, line 19, by striking out "PHARMACIES"
6 and inserting

7 a pharmacy

8 Amend Bill, page 13, line 20, by striking out "CAN" and
9 inserting

10 that may

11 Amend Bill, page 13, lines 21 and 22, by striking out ". THE
12 ADMINISTRATIVE SERVICES VARY BUT MAY INCLUDE" and inserting

13 , including

14 Amend Bill, page 13, lines 24 through 30; page 14, lines 1
15 through 13; by striking out all of said lines on said pages

16 Amend Bill, page 14, line 22, by striking out "AN" and
17 inserting

18 that

19 Amend Bill, page 14, line 23, by striking out "ANY
20 INFORMATION" and inserting

21 Information

22 Amend Bill, page 14, line 26, by striking out "PLAN SPONSOR"
23 and inserting

24 covered entity

25 Amend Bill, page 14, line 28, by striking out "NO" and
26 inserting

27 The

28 Amend Bill, page 14, line 28, by striking out "SHALL" and
29 inserting

30 may not

31 Amend Bill, page 14, line 29, by striking out "ANY OF ITS

1 EMPLOYEES" and inserting
2 an employee
3 Amend Bill, page 14, line 29, by striking out "ANY" where it
4 occurs the second time
5 Amend Bill, page 15, line 1, by inserting after "AUDIT,"
6 solely
7 Amend Bill, page 15, line 3, by inserting after "THE"
8 auditing
9 Amend Bill, page 15, lines 9 and 10, by striking out all of
10 line 9 and "(6)" in line 10 and inserting
11 (5)
12 Amend Bill, page 15, line 10, by inserting after "THE"
13 auditing
14 Amend Bill, page 15, line 12, by striking out "ANY" and
15 inserting
16 a
17 Amend Bill, page 15, line 14, by striking out "(7)" and
18 inserting
19 (6)
20 Amend Bill, page 15, line 14, by inserting after "THE"
21 auditing
22 Amend Bill, page 15, line 18, by striking out "(8)" and
23 inserting
24 (7)
25 Amend Bill, page 15, line 18, by inserting after "THE"
26 auditing
27 Amend Bill, page 15, line 22, by striking out "(9) ANY" and
28 inserting
29 (8) A
30 Amend Bill, page 15, line 24, by striking out "(10) NO" and

1 inserting
2 (9) A
3 Amend Bill, page 15, line 24, by striking out "SHALL" and
4 inserting
5 may not
6 Amend Bill, page 15, line 27, by striking out "PLAN SPONSOR"
7 and inserting
8 covered entity
9 Amend Bill, page 15, line 30, by striking out "SHALL" and
10 inserting
11 does
12 Amend Bill, page 16, line 2, by striking out "(11) NO" and
13 inserting
14 (10) The
15 Amend Bill, page 16, line 2, by inserting after "MAY"
16 not
17 Amend Bill, page 16, line 6, by striking out "(12) NO" and
18 inserting
19 (11) The
20 Amend Bill, page 16, line 6, by striking out "SHALL" and
21 inserting
22 may not
23 Amend Bill, page 16, line 13, by striking out "(13)" and
24 inserting
25 (12)
26 Amend Bill, page 17, line 7, by striking out "THE" and
27 inserting
28 A
29 Amend Bill, page 17, line 8, by inserting after "60"
30 calendar
31 Amend Bill, page 17, line 19, by inserting after "30"

1 calendar

2 Amend Bill, page 17, line 29, by striking out "PHARMACY"

3 Amend Bill, page 18, line 1, by striking out "NO" and
4 inserting

5 A

6 Amend Bill, page 18, line 1, by striking out "SHALL" and
7 inserting

8 may not

9 Amend Bill, page 18, line 6, by striking out "NO" and
10 inserting

11 An

12 Amend Bill, page 18, line 7, by striking out "SHALL" and
13 inserting

14 may not

15 Amend Bill, page 18, line 24, by striking out "SHALL" and
16 inserting

17 do

18 Amend Bill, page 18, line 25, by inserting after "AN"

19 investigative

20 Amend Bill, page 19, line 4, by striking out "ENFORCEMENT"
21 and inserting

22 Regulations

23 Amend Bill, page 19, lines 5 through 8, by striking out
24 "SHALL HAVE ENFORCEMENT AUTHORITY AND TAKE" in line 5, all of
25 lines 6 and 7 and "ANY" in line 8 and inserting

26 may promulgate

27 Amend Bill, page 19, line 8, by inserting after "REGULATIONS"

28 as

29 Amend Bill, page 19, line 8, by inserting after "NECESSARY"
30 and appropriate

31 Amend Bill, page 19, line 10, by striking out all of said

1 line and inserting

2 REGISTRATION

3 Amend Bill, page 19, line 11, by inserting after "PBM"
4 and auditing entity

5 Amend Bill, page 19, line 12, by inserting before "TO"

6 (a) General rule.--

7 Amend Bill, page 19, line 12, by inserting after "PBM"
8 or auditing entity

9 Amend Bill, page 19, lines 13 and 14, by striking out
10 "PROMULGATE REGULATIONS" in line 13 and all of line 14 and
11 inserting

12 make an application form available on its publicly
13 accessible Internet website that shall require:

14 (1) The identity, address and telephone number of the
15 applicant.

16 (2) The name, business address and telephone number of
17 the contact person for the applicant.

18 (3) When applicable, the Federal employer identification
19 number for the applicant.

20 (b) Term and fee.--

21 (1) The term of registration shall be two years from the
22 date of issuance.

23 (2) The department shall set an initial application fee
24 and a renewal application fee, which shall be submitted with
25 an application for registration. An initial application fee
26 shall be nonrefundable. A renewal application fee shall be
27 returned if the renewal of the registration is not granted.

28 (3) The amount of the initial application fee and
29 renewal application fee shall be sufficient to fund the
30 department's duties in relation to its responsibilities under
31 this chapter, but may not exceed \$1,000.

32 (c) Registration.--

33 (1) The department shall issue a registration, as
34 appropriate, to an applicant when the department determines
35 that the applicant has submitted a completed application and
36 paid the required registration fee.

37 (2) The registration may be in paper or electronic form,
38 shall be nontransferable and shall prominently list the
39 expiration date of the registration.

40 (d) Duplicate registration.--

41 (1) A licensed insurer or a managed care plan with a
42 certificate of authority shall comply with the standards and
43 procedures of this act but shall not be required to

1 separately register as either a PBM or auditing entity.
2 (2) A PBM that is registered under this chapter shall
3 comply with the standards and procedures of this act but
4 shall not be required to register separately as an auditing
5 entity.

6 CHAPTER 7
7 PBM COST TRANSPARENCY
8 REQUIREMENTS

9 Amend Bill, page 19, line 15, by striking out "502" and
10 inserting
11 701

12 Amend Bill, page 19, line 15, by striking out "GENERIC DRUG"
13 and inserting
14 Multiple source generic

15 Amend Bill, page 19, line 17, by striking out "GENERIC DRUG"
16 and inserting
17 multiple source generic

18 Amend Bill, page 19, line 18, by striking out "'A," "B," "NR"
19 OR "NA"' and inserting
20 "A" or "B"

21 Amend Bill, page 19, lines 21 and 22, by striking out the
22 semicolon in line 21 and all of line 22 and inserting

23 , or "NR" or "NA" rated, or similar rating, by a
24 nationally recognized reference;

25 (2) There are at least two therapeutically equivalent
26 multiple source drugs or at least one generic drug available
27 from only one manufacturer; and

28 Amend Bill, page 19, line 23, by striking out "(2)" and
29 inserting

30 (3)

31 Amend Bill, page 19, line 24, by striking out "STATE" and
32 inserting

33 Commonwealth

34 Amend Bill, page 20, line 5, by striking out "503" and
35 inserting

1 702

2 Amend Bill, page 20, line 5, by striking out "GENERIC DRUG"
3 and inserting
4 multiple source generic

5 Amend Bill, page 20, lines 8 and 9, by striking out
6 "ALTERNATIVELY, A PBM AND A PHARMACY'S CONTRACTING
7 REPRESENTATIVE OR AGENT SUCH AS" and inserting

8 its representative, including

9 Amend Bill, page 20, line 22, by striking out "PHARMACY'S OR
10 PHARMACIST'S CONTRACTING" and inserting

11 pharmacy or its

12 Amend Bill, page 20, line 23, by striking out "AGENT SUCH AS"
13 and inserting

14 , including

15 Amend Bill, page 20, line 24, by striking out "504" and
16 inserting

17 703

18 Amend Bill, page 21, line 20, by striking out "505.

19 ENFORCEMENT." and inserting

20 704. Regulations.

21 Amend Bill, page 21, lines 21 through 24, by striking out all
22 of said lines

23 Amend Bill, page 21, line 25, by striking out "SHALL" and
24 inserting

25 may

26 Amend Bill, page 21, line 25, by inserting after

27 "REGULATIONS"

28 as

29 Amend Bill, page 21, line 25, by inserting after "NECESSARY"

30 and appropriate

31 Amend Bill, page 21, line 27, by striking out "507" and

1 inserting

2 705

3 Amend Bill, page 21, by inserting after line 30

4 CHAPTER 9
5 ENFORCEMENTS

6 Section 901. Scope of enforcement authority.

7 (a) Scope.--The department may investigate and enforce the
8 provisions of this act only insofar as the actions or inactions
9 being investigated relate to prescription drug coverage under a
10 health insurance policy.

11 (b) Remedy.--Actions or inactions within the scope of the
12 department's investigative and enforcement authority under
13 subsection (a) found to violate this act constitute "unfair
14 methods of competition" and "unfair or deceptive acts or
15 practices" within the meaning of section 5 of the act of July
16 22, 1974 (P.L.589, No.205), known as the Unfair Insurance
17 Practices Act. A proceeding under this section shall be
18 conducted in accordance with 2 Pa.C.S. Ch. 5 Subch. A (relating
19 to practice and procedure of Commonwealth agencies).

20 Amend Bill, page 22, line 5, by striking out "THE ADDITION OF
21 CHAPTER" and inserting

22 Chapters

23 Amend Bill, page 22, line 5, by inserting after "5"

24 , 9 and 11

25 Amend Bill, page 22, line 7, by striking out "60" and

26 inserting

27 180