

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2212 Session of
2018

INTRODUCED BY HEFFLEY, PICKETT, DAVIS, MCGINNIS, HENNESSEY,
OBERLANDER, WARD, HAGGERTY, FLYNN, NEILSON, MENTZER, TOEPEL,
CRUZ, DEASY, KAUFFMAN, J. McNEILL, DRISCOLL, GROVE, HILL-
EVANS, SAYLOR, HICKERNELL, COX, KEEFER, DeLUCA, FARRY,
PHILLIPS-HILL, ROTHMAN, HANNA, KLUNK, LONGIETTI, CHARLTON,
BARRAR, PEIFER, QUIGLEY, MATZIE, KORTZ, HELM, MEHAFFIE,
B. O'NEILL AND GREINER, JUNE 7, 2018

AS REPORTED FROM COMMITTEE ON HEALTH, HOUSE OF REPRESENTATIVES,
AS AMENDED, JUNE 12, 2018

AN ACT

1 Amending the act of June 13, 1967 (P.L.31, No.21), entitled "An
2 act to consolidate, editorially revise, and codify the public
3 welfare laws of the Commonwealth," in public assistance,
4 providing for financial disclosures for pharmacy services.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. The act of June 13, 1967 (P.L.31, No.21), known
8 as the Human Services Code, is amended by adding a section to
9 read:

10 Section 449.1. Financial Disclosures for Pharmacy
11 Services.--(a) Any pharmacy benefits manager that contracts
12 with a medical assistance managed care organization under
13 contract with the department shall be prohibited from utilizing
14 any confidentiality provisions which would in effect prohibit
15 disclosure of information to the medical assistance managed care
16 association ORGANIZATION and the department upon its request. <--

1 (b) Requests by the department may include the payment
2 methodology for the pharmacy benefits manager which must include
3 the actual amount paid by the pharmacy benefits manager to a
4 pharmacy for dispensing an outpatient covered drug or medical
5 supply item, including, at a minimum, the ingredient cost and
6 dispensing fee and any other administrative fees.

7 (c) A medical assistance managed care organization that
8 assigns financial responsibility for determining the dispensing
9 pharmacy payment methodology, including the ingredient cost and
10 dispensing fee, shall UPON REQUEST disclose to the department <--
11 all financial terms and payment arrangements that apply between
12 the medical assistance managed care organization and the
13 pharmacy benefits manager annually and within ten days of any
14 changes to the financial terms and payment arrangements. For the
15 purposes of this act, a pharmacy benefits manager which
16 contracts with a medical assistance managed care organization
17 shall maintain records sufficient to provide information for
18 pharmaceuticals dispensed and paid for by medical assistance to
19 the department, including the information required under Chapter
20 7 of the act of November 21, 2016 (P.L.1318, No.169), known as
21 the Pharmacy Audit Integrity and Transparency Act.

22 (d) The department shall promulgate regulations necessary to
23 establish an appeals process for pharmacies to utilize for
24 suspected violations of this section.

25 (e) As used in this section, the following words and phrases
26 shall have the meanings given to them in this subsection unless
27 the context clearly indicates otherwise:

28 "PHARMACY BENEFITS MANAGEMENT." ANY OF THE FOLLOWING: <--

29 (1) PROCUREMENT OF PRESCRIPTION DRUGS AT A NEGOTIATED
30 CONTRACTED RATE FOR DISTRIBUTION WITHIN THIS COMMONWEALTH TO

1 COVERED INDIVIDUALS.

2 (2) ADMINISTRATION OR MANAGEMENT OF PRESCRIPTION DRUG
3 BENEFITS PROVIDED BY A COVERED ENTITY FOR THE BENEFIT OF
4 COVERED INDIVIDUALS.

5 (3) ADMINISTRATION OF PHARMACY BENEFITS, INCLUDING:

6 (I) OPERATING A MAIL-SERVICE PHARMACY.

7 (II) CLAIMS PROCESSING.

8 (III) MANAGING A RETAIL PHARMACY NETWORK MANAGEMENT.

9 (IV) PAYING CLAIMS TO PHARMACIES FOR PRESCRIPTION
10 DRUGS DISPENSED TO COVERED INDIVIDUALS VIA RETAIL OR
11 MAIL-ORDER PHARMACY.

12 (V) DEVELOPING AND MANAGING A CLINICAL FORMULARY,
13 UTILIZATION MANAGEMENT AND QUALITY ASSURANCE PROGRAMS.

14 (VI) REBATE CONTRACTING AND ADMINISTRATION.

15 (VII) MANAGING A PATIENT COMPLIANCE, THERAPEUTIC
16 INTERVENTION AND GENERIC SUBSTITUTION PROGRAM.

17 (VIII) OPERATING A DISEASE MANAGEMENT PROGRAM.

18 (IX) SETTING PHARMACY REIMBURSEMENT PRICING AND
19 METHODOLOGIES, INCLUDING MAXIMUM ALLOWABLE COST, AND
20 DETERMINING SINGLE OR MULTIPLE SOURCE DRUGS.

21 "Pharmacy benefits manager." A person, business or other
22 entity that performs pharmacy benefits management.

23 Section 2. This act shall take effect in 60 days.