
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1630 Session of
2021

INTRODUCED BY FRITZ, HEFFLEY, RYAN, BOBACK, RADER, HAMM,
MILLARD, CIRESI, PEIFER, DeLUCA AND GROVE, JUNE 15, 2021

REFERRED TO COMMITTEE ON HEALTH, JUNE 15, 2021

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 pharmacy benefits manager audit and
5 obligations.

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

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

11 Section 449.2. Pharmacy Benefits Manager Audit and
12 Obligations.--(a) The Department of the Auditor General may
13 conduct an audit and review of a pharmacy benefits manager that
14 provides pharmacy benefits management to a medical assistance
15 managed care organization under contract with the department.
16 The Department of the Auditor General may review all previous
17 audits completed by the department and shall have access to all
18 documents it deems necessary to complete the review and audit.

19 (b) Any information disclosed or produced by a pharmacy

1 benefits manager or a medical assistance managed care
2 organization for the use of the department or the Department of
3 the Auditor General under this section shall not be subject to
4 the act of February 14, 2008 (P.L.6, No.3), known as the "Right-
5 to-Know Law."

6 (c) As used in this section, the following words and phrases
7 shall have the meanings given to them in this subsection:

8 "Medical assistance managed care organization" means a
9 Medicaid managed care organization as defined in section 1903(m)
10 (1)(a) of the Social Security Act (49 Stat. 620, 42 U.S.C. §
11 1396b(m)(1)(A)) that is a party to a Medicaid managed care
12 contract with the department.

13 "Pharmacy benefits management" means any of the following:

14 (1) Procurement of prescription drugs at a negotiated
15 contracted rate for distribution within this Commonwealth to
16 covered individuals.

17 (2) Administration or management of prescription drug
18 benefits provided by a covered entity for the benefit of covered
19 individuals.

20 (3) Administration of pharmacy benefits, including:

21 (i) Operating a mail-service pharmacy.

22 (ii) Claims processing.

23 (iii) Managing a retail pharmacy network management.

24 (iv) Paying claims to pharmacies for prescription drugs
25 dispensed to covered individuals by a retail, specialty or mail-
26 order pharmacy.

27 (v) Developing and managing a clinical formulary,
28 utilization management and quality assurance programs.

29 (vi) Rebate contracting and administration.

30 (vii) Managing a patient compliance, therapeutic

1 intervention and generic substitution program.

2 (viii) Operating a disease management program.

3 (ix) Setting pharmacy reimbursement pricing and

4 methodologies, including maximum allowable cost, and determining

5 single or multiple source drugs.

6 "Pharmacy benefits manager" means a person, business or other

7 entity that performs pharmacy benefits management. The term

8 shall include any affiliated ownership of a medical assistance

9 managed care organization that performs pharmacy benefits

10 management.

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