

CHAPTER 1016
REGULATION OF PHARMACY BENEFITS MANAGERS
H.F. 2297

AN ACT relating to the regulation of pharmacy benefits managers.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 510B.1, Code 2014, is amended by adding the following new subsection:

NEW SUBSECTION. 5A. “*Maximum reimbursement amount*” means the maximum reimbursement amount for a therapeutically and pharmaceutically equivalent multiple-source prescription drug that is listed in the most recent edition of the publication entitled approved drug products with therapeutic equivalence evaluations, published by the United States food and drug administration, otherwise known as the orange book.

Sec. 2. NEW SECTION. 510B.8 **Pricing methodology for maximum reimbursement amount.**

1. The commissioner may require a pharmacy benefits manager to submit information to the commissioner related to the pharmacy benefits manager’s pricing methodology for maximum reimbursement amount.

2. For purposes of the disclosure of pricing methodology, maximum reimbursement amounts shall be implemented as follows:

a. Established for multiple source prescription drugs prescribed after the expiration of any generic exclusivity period.

b. Established for any prescription drug with at least two or more A-rated therapeutically equivalent, multiple source prescription drugs with a significant cost difference.

c. Determined using comparable prescription drug prices obtained from multiple nationally recognized comprehensive data sources including wholesalers, prescription drug file vendors, and pharmaceutical manufacturers for prescription drugs that are nationally available and available for purchase locally by multiple pharmacies in the state.

3. For those prescription drugs to which maximum reimbursement amount pricing applies, a pharmacy benefits manager shall include in a contract with a pharmacy information regarding which of the national compendia is used to obtain pricing data used in the calculation of the maximum reimbursement amount pricing and shall provide a process to allow a pharmacy to comment on, contest, or appeal the maximum reimbursement amount rates or maximum reimbursement amount list. The right to comment on, contest, or appeal the maximum reimbursement amount rates or maximum reimbursement amount list shall be limited in duration and allow for retroactive payment in the event that it is determined that maximum reimbursement amount pricing has been applied incorrectly.

Approved March 14, 2014