CHAPTER 510C

PHARMACY BENEFITS MANAGER REPORTING

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7

510C.1 Definitions.
510C.2 Annual report to commissioner.
510C.3 Rules.
510C.4 Enforcement.
510C.5 Applicability.

510C.1 Definitions.

As used in this chapter unless the context otherwise requires:

1. *"Administrative fees"* means a fee or payment, other than a rebate, under a contract between a pharmacy benefits manager and a pharmaceutical drug manufacturer in connection with the pharmacy benefits manager's management of a third-party payor's prescription drug benefit, that is paid by a pharmaceutical drug manufacturer to a pharmacy benefits manager or is retained by the pharmacy benefits manager.
2. *"Aggregate retained rebate percentage"* means the percentage of all rebates received by a pharmacy benefits manager that is not passed on to the pharmacy benefits manager's third-party payor clients.
3. *"Commissioner"* means the commissioner of insurance.
4. *"Covered person"* means the same as defined in section 510B.1.
5. *"Formulary"* means a complete list of prescription drugs eligible for coverage under a health benefit plan.
6. *"Health benefit plan"* means the same as defined in section 510B.1.
7. *"Health carrier"* means the same as defined in section 510B.1.
8. *"Pharmacy benefits manager"* means the same as defined in section 510B.1.
9. *"Prescription drug benefit"* means the same as defined in section 510B.1.
10. *"Rebate"* means the same as defined in section 510B.1.
11. *"Third-party payor"* means the same as defined in section 510B.1.
12. *"Third-party payor administrative service fee"* means a fee or payment under a contract between a pharmacy benefits manager and a third-party payor in connection with the pharmacy benefits manager's administration of the third-party payor's prescription drug benefit that is paid by a third-party payor to a pharmacy benefits manager or is otherwise retained by a pharmacy benefits manager.

2019 Acts, ch 88, §1; 2020 Acts, ch 1063, §279 – 281; 2022 Acts, ch 1113, §17, 23

510C.2 Annual report to commissioner.

1. Each pharmacy benefits manager shall provide a report annually by February 15 to the commissioner that contains all of the following information regarding prescription drug benefits provided to covered persons of each third-party payor with whom the pharmacy benefits manager has contracted during the prior calendar year:

a. The aggregate dollar amount of all rebates received by the pharmacy benefits manager.

b. The aggregate dollar amount of all administrative fees received by the pharmacy benefits manager.

c. The aggregate dollar amount of all third-party payor administrative service fees received by the pharmacy benefits manager.

d. The aggregate dollar amount of all rebates received by the pharmacy benefits manager that the pharmacy benefits manager did not pass through to the third-party payor.

e. The aggregate amount of all administrative fees received by the pharmacy benefits manager that the pharmacy benefits manager did not pass through to the third-party payor.

f. The aggregate retained rebate percentage as calculated by dividing the dollar amount in paragraph *"d"* by the dollar amount in paragraph *"a"*.

g. Across all third-party payor clients with whom the pharmacy benefits manager was contracted, the highest and the lowest aggregate retained rebate percentages.

2. *a.* A pharmacy benefits manager shall provide the information pursuant to subsection 1

to the commissioner in a format approved by the commissioner that does not publicly disclose any of the following:

(1) The identity of a specific third-party payor.

(2) The price charged by a specific pharmaceutical manufacturer for a specific prescription drug or for a class of prescription drugs.

(3) The amount of rebates provided for a specific prescription drug or class of prescription drugs.

b. Information provided under this section by a pharmacy benefits manager to the commissioner that may reveal the identity of a specific third-party payor, the price charged by a specific pharmaceutical manufacturer for a specific prescription drug or class of prescription drugs, or the amount of rebates provided for a specific prescription drug or class of prescription drugs shall be considered a confidential record and be recognized and protected as a trade secret pursuant to section 22.7, subsection 3.

3. The commissioner shall publish, within sixty calendar days of receipt, the nonconfidential information received by the commissioner on a publicly accessible internet site. The information shall be made available to the public in a format that complies with subsection 2, paragraph "*a*".

2019 Acts, ch 88, §2; 2020 Acts, ch 1063, §282 – 284; 2022 Acts, ch 1113, §18 – 21, 23; 2024 Acts, ch 1100, §6

510C.3 Rules.

The commissioner of insurance shall adopt rules pursuant to chapter 17A as necessary to administer this chapter.

2019 Acts, ch 88, §3

510C.4 Enforcement.

The commissioner may take any action within the commissioner's authority to enforce compliance with this chapter.

2019 Acts, ch 88, §4

510C.5 Applicability.

This chapter is applicable to a health benefit plan that is delivered, issued for delivery, continued, or renewed in this state on or after January 1, 2019.

2019 Acts, ch 88, §5