

191—59.11(510B,510C) Pharmacy benefits manager annual report.

59.11(1) *Filing of annual report.* In addition to submitting the third-party administrator annual report required under rule 191—58.11(510), each pharmacy benefits manager shall submit to the commissioner on or before February 15 of each year the annual report required by Iowa Code section 510C.2 (PBM annual report). The pharmacy benefits manager shall follow the instructions and use the online submission form provided on the Iowa insurance division's website (id.iowa.gov) to file the PBM annual report.

59.11(2) *Verification.* At least two officers of the pharmacy benefits manager shall certify in writing that they verified the accuracy of the PBM annual report.

59.11(3) *Electronic filing.* Each pharmacy benefits manager shall submit the PBM annual report electronically as set forth in the instructions, unless otherwise specifically authorized by the commissioner.

59.11(4) *Report content.**a.* Reporting requirement elements.

(1) A pharmacy benefits manager shall provide information about all rebates, as defined in Iowa Code section 510C.1, which shall include but not be limited to any consideration, incentive, disbursement, discount, payment and any other pecuniary transaction that is provided directly or indirectly to the pharmacy benefits manager from a pharmaceutical manufacturer that adjusts the price of the wholesale acquisition cost of a prescription drug.

(2) An administrative fee, as defined in Iowa Code section 510C.1, shall include but not be limited to any consideration, incentive, disbursement, payment and any other pecuniary transaction, other than a rebate, that is provided directly or indirectly to the pharmacy benefits manager from a pharmaceutical manufacturer.

(3) The aggregate dollar amount of a rebate shall be reported as the wholesale acquisition cost of a prescription drug minus the price negotiated by the pharmacy benefits manager for the same prescription drug.

(4) Aggregate dollar amounts reported shall be reported as gross aggregate dollar amounts using generally accepted accounting principles (GAAP).

(5) Information requested about pharmacies shall include any pharmacy services administrative organizations that may represent pharmacies.

(6) A third-party payor administrative service fee, as defined in Iowa Code section 510C.1, shall include but not be limited to any consideration, incentive, disbursement, payment and any other pecuniary transaction that is provided directly or indirectly to the pharmacy benefits manager from a third-party payor.

(7) A third-party payor administrative service fee, as defined in Iowa Code section 510C.1, shall not be reported as a benefit or incurred claim provided under a health benefit plan.

b. Information required under Iowa Code section 510C.2(1)“a” shall include:

(1) The aggregate dollar amount of all rebates received by the pharmacy benefits manager, either directly or indirectly through a proxy, contractor, subsidiary or parent company, for its business in Iowa.

(2) The rebate amounts received, based on the information reported in subparagraph 59.11(4)“b”(1), for each of the top prescription drugs for which the pharmacy benefits manager received the highest dollar amount of rebates from the pharmaceutical manufacturer.

1. Report the aggregate dollar amount of the rebate for each of the top prescription drugs reported pursuant to subparagraph 59.11(4)“b”(2).

2. Report the aggregate dollar amount of the rebate that was:

- Passed through to a third-party payor;
- Passed through to enrollees at the point of sale of a prescription drug; and
- Retained by the pharmacy benefits manager.

(3) The rebate amounts received, based on the information reported in subparagraph 59.11(4)“b”(1), for each of the top prescription drugs dispensed based on volume of dosage units for which the pharmacy benefits manager reimbursed pharmacies.

1. Report the aggregate dollar amount of the rebate for each of the top prescription drugs reported pursuant to subparagraph 59.11(4)“b”(3).

2. Report the aggregate dollar amount of the rebate that was:

- Passed through to a third-party payor;
- Passed through to enrollees at the point of sale of a prescription drug; and
- Retained by the pharmacy benefits manager.

c. Information required under Iowa Code section 510C.2(1)“b” shall include the aggregate dollar amount of all administrative fees received by the pharmacy benefits manager, either directly or indirectly through a proxy, contractor, subsidiary or parent company, for its business in Iowa.

d. Information required under Iowa Code section 510C.2(1)“c” shall include:

(1) The aggregate dollar amount of all third-party payor administrative service fees received by the pharmacy benefits manager, either directly or indirectly through a proxy, contractor, subsidiary or parent company, for its business in Iowa.

(2) The aggregate dollar amount of all prescription drug cost reimbursement fees received by the pharmacy benefits manager, either directly or indirectly through a proxy, contractor, subsidiary or parent company, for its business in Iowa.

(3) The aggregate prescription drug cost reimbursement fee, based on the top prescription drugs reported in subparagraph 59.11(4)“b”(2), received for each drug that was:

1. Paid to the pharmacies as reimbursement from the pharmacy benefits manager for the ingredient costs of prescriptions dispensed by the pharmacies.
2. Retained by the pharmacy benefits manager.

e. Information required under Iowa Code section 510C.2(1)“d” shall include 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 through its business in Iowa that is conducted either directly or indirectly through a proxy, contractor, subsidiary or parent company.

f. Information required under Iowa Code section 510C.2(1)“e” shall include the aggregate dollar 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 through its business in Iowa that is conducted either directly or indirectly through a proxy, contractor, subsidiary or parent company.

59.11(5) Public access. The commissioner shall publish on the Iowa insurance division’s website (iid.iowa.gov) the nonconfidential information received in the PBM annual report.

59.11(6) Completeness of PBM annual report. All information required by the commissioner must be submitted before the PBM annual report shall be considered complete.

59.11(7) Penalties. A pharmacy benefits manager that fails to timely submit to the commissioner a complete PBM annual report shall pay a late fee of \$100. If a pharmacy benefits manager fails to submit a complete PBM annual report by May 15, the pharmacy benefits manager shall be subject to penalties as set forth in rule 191—59.12(505,507,507B,510,510B,510C,514L).

[ARC 4578C, IAB 7/31/19, effective 9/4/19; ARC 6739C, IAB 12/14/22, effective 1/1/23; ARC 6890C, IAB 2/8/23, effective 3/15/23; ARC 7038C, IAB 6/14/23, effective 7/19/23]