

Senate File 333 - Introduced

SENATE FILE 333

BY KLIMESH

A BILL FOR

1 An Act relating to pharmacy benefits managers, pharmacies, and
2 prescription drug benefits, and including applicability
3 provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 510B.8, Code 2023, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 3. Any amount paid by a covered person for
4 a prescription drug purchased pursuant to this section shall
5 be applied to any deductible imposed by the covered person's
6 health benefit plan in accordance with the health benefit plan
7 coverage documents.

8 NEW SUBSECTION. 4. A covered person shall not be prohibited
9 from filling a prescription drug order at any pharmacy located
10 in the state provided that the pharmacy accepts the same terms
11 and conditions as the pharmacies participating in the covered
12 person's health benefit plan's network.

13 NEW SUBSECTION. 5. Excluding incentives in value-based
14 programs established by a health carrier or a pharmacy benefits
15 manager to promote the use of higher quality pharmacies,
16 a pharmacy benefits manager shall not impose different
17 cost-sharing or additional fees on a covered person based on
18 the pharmacy at which the covered person fills the covered
19 person's prescription drug order.

20 NEW SUBSECTION. 6. A pharmacy benefits manager shall
21 not require a covered person, as a condition of payment
22 or reimbursement, to purchase pharmacy services, including
23 prescription drugs, exclusively through a mail-order pharmacy.

24 Sec. 2. Section 510B.8A, subsection 2, paragraph a, Code
25 2023, is amended to read as follows:

26 a. Provide each pharmacy in a pharmacy network ~~reasonable~~
27 access to the maximum allowable cost list to which the pharmacy
28 is subject via a secure accessible internet site.

29 Sec. 3. NEW SECTION. 510B.8D Appeals and disputes.

30 1. A pharmacy benefits manager shall provide a reasonable
31 process to allow a pharmacy to appeal a maximum allowable cost
32 or reimbursement rate for a specific prescription drug for any
33 of the following reasons:

34 a. The pharmacy benefits manager violated section 510B.8A.

35 b. The maximum allowable cost or the reimbursement rate is

1 below the pharmacy acquisition cost.

2 2. The appeal process must include all of the following:

3 a. A dedicated telephone number at which a pharmacy may
4 contact the pharmacy benefits manager and speak directly with
5 an individual involved in the appeal process.

6 b. A dedicated electronic mail address or internet site for
7 the purpose of submitting an appeal directly to the pharmacy
8 benefits manager.

9 c. A period of at least thirty business days after the date
10 of a pharmacy's initial submission of a clean claim during
11 which the pharmacy may initiate an appeal.

12 3. A pharmacy benefits manager shall respond to an appeal
13 within seven business days after the date on which the pharmacy
14 benefits manager receives the appeal.

15 a. If the pharmacy benefits manager grants a pharmacy's
16 appeal, the pharmacy benefits manager shall do all of the
17 following:

18 (1) Adjust the maximum allowable cost or the reimbursement
19 rate of the prescription drug that is the subject of the appeal
20 and provide the national drug code number that the adjustment
21 is based on to the appealing pharmacy.

22 (2) Permit the appealing pharmacy to reverse and resubmit
23 the claim that is the subject of the appeal.

24 (3) Make the adjustment pursuant to subparagraph (1)
25 applicable to all of the following:

26 (a) Each pharmacy that is under common ownership with the
27 pharmacy that submitted the appeal.

28 (b) Each pharmacy in the state that demonstrates the
29 inability to purchase the prescription drug for less than the
30 established maximum allowable cost or reimbursement rate.

31 b. If the pharmacy benefits manager denies a pharmacy's
32 appeal, the pharmacy benefits manager shall do all of the
33 following:

34 (1) Provide the appealing pharmacy the national drug
35 code number and the name of a wholesale distributor licensed

1 pursuant to section 155A.17 from which the pharmacy can obtain
2 the prescription drug at or below the maximum allowable cost
3 or reimbursement rate.

4 (2) If the prescription drug identified by the national drug
5 code number provided by the pharmacy benefits manager pursuant
6 to subparagraph (1) is not available below the pharmacy
7 acquisition cost from the wholesale distributor from whom the
8 pharmacy purchases the majority of its prescription drugs for
9 resale, the pharmacy benefits manager shall adjust the maximum
10 allowable cost or the reimbursement rate above the appealing
11 pharmacy's pharmacy acquisition cost, and permit the pharmacy
12 to reverse and resubmit each claim affected by the pharmacy's
13 inability to procure the prescription drug at a cost that is
14 equal to or less than the previously appealed maximum allowable
15 cost or the reimbursement rate.

16 Sec. 4. APPLICABILITY. This Act applies to pharmacy
17 benefits managers that manage a health carrier's prescription
18 drug benefit in the state on or after the effective date of
19 this Act.

20 EXPLANATION

21 The inclusion of this explanation does not constitute agreement with
22 the explanation's substance by the members of the general assembly.

23 This bill relates to pharmacy benefits managers (PBM),
24 pharmacies, and prescription drug benefits.

25 The bill requires that any amount paid by a covered person
26 for a drug in the circumstances detailed in the bill must
27 be applied to any deductible imposed by the covered person's
28 health benefit plan in accordance with the plan's coverage
29 documents. Under the bill, a covered person cannot be
30 prohibited from filling a drug order at any pharmacy located in
31 the state if the pharmacy accepts the same terms and conditions
32 as the covered person's benefit plan. A PBM cannot impose
33 different cost-sharing or additional fees on a covered person
34 based on the pharmacy at which a covered person fills their
35 prescription. A PBM cannot require a covered person, as a

1 condition of payment or reimbursement, to purchase pharmacy
2 services, including drugs, exclusively through a mail-order
3 pharmacy.

4 The bill requires a PBM to provide each pharmacy in a network
5 access to the maximum allowable cost list (MACL) to which the
6 pharmacy is subject via a secure accessible internet site.

7 The bill requires a PBM to provide a process for pharmacies
8 to appeal a maximum allowable cost, or a reimbursement made
9 under a MACL. The requirements for the appeal process are
10 detailed in the bill.

11 The bill applies to PBMs that manage a health carrier's
12 prescription drug benefit in the state on or after the
13 effective date of the bill.