

**Senate Study Bill 1207 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
COMMERCE BILL BY CHAIRPERSON  
BOUSSELOT)

**A BILL FOR**

- 1 An Act relating to pharmacy benefits managers, pharmacies, and
- 2 prescription drugs.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 510B.1, Code 2025, is amended by adding  
2 the following new subsections:

3 NEW SUBSECTION. 11A. "*Pass-through pricing*" means a model of  
4 prescription drug pricing in which payments made by a third-party  
5 payor to a pharmacy benefits manager for prescription drugs are  
6 equivalent to the payments the pharmacy benefits manager makes  
7 to the dispensing pharmacy or dispensing health care provider  
8 for the prescription drugs, including any professional dispensing  
9 fee.

10 NEW SUBSECTION. 16A. "*Pharmacy desert*" means a geographic  
11 area with a single pharmacy located at least thirty miles from  
12 the nearest pharmacy.

13 NEW SUBSECTION. 21A. "*Specialty drug*" means a drug used  
14 to treat chronic and complex or rare medical conditions and  
15 that requires special handling or administration, provider care  
16 coordination, or patient education that cannot be provided by a  
17 nonspecialty pharmacy or pharmacist.

18 NEW SUBSECTION. 21B. "*Spread pricing*" means a pharmacy  
19 benefits manager charges a third-party payor more for  
20 prescription drugs dispensed to a covered person than the  
21 amount the pharmacy benefits manager reimburses the pharmacy for  
22 dispensing the prescription drugs to a covered person.

23 Sec. 2. NEW SECTION. **510B.4B Prohibited conduct — mail**  
24 **order pharmacies.**

25 1. A pharmacy benefits manager shall not require a covered  
26 person, as a condition of payment or reimbursement, to purchase  
27 pharmacy services, including prescription drugs, exclusively  
28 through a mail order pharmacy.

29 2. This section shall not apply to a specialty drug.

30 Sec. 3. Section 510B.8, Code 2025, is amended by adding the  
31 following new subsection:

32 NEW SUBSECTION. 3. One hundred percent of all rebates  
33 received by a pharmacy benefits manager shall be passed through  
34 to the health carrier or employer plan sponsor for the purpose of  
35 reducing premiums.



1 services, exclusively through a mail order pharmacy. "Specialty  
2 drug" is defined in the bill.

3 Under the bill, 100 percent of all rebates received by a PBM  
4 shall be passed through to the health carrier or employer plan  
5 sponsor to reduce premiums. "Pass-through pricing" is defined in  
6 the bill.

7 Under the bill, for a prescription filled at a pharmacy with  
8 five or less locations, a PBM shall reimburse the pharmacy or  
9 pharmacist a \$3 professional dispensing fee. For a prescription  
10 filled at a pharmacy with six or more locations, and that has any  
11 location located in a pharmacy desert, a PBM shall reimburse the  
12 pharmacy in the pharmacy desert a professional dispensing fee of  
13 \$3. "Pharmacy desert" is defined in the bill.

14 Under the bill, all contracts executed, amended, adjusted, or  
15 renewed on or after July 1, 2025, that apply to prescription  
16 drug benefits on or after January 1, 2026, between a PBM and a  
17 third-party payor, or between a person and a third-party payor,  
18 shall prohibit the practice of spread pricing. "Spread pricing"  
19 is defined in the bill.