

INSURANCE DIVISION[191]

Adopted and Filed Emergency

The Insurance Division hereby amends Chapter 59, “Pharmacy Benefits Managers,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapter 510B and 2022 Iowa Acts, House File 2384, section 22.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, 2022 Iowa Acts, House File 2384.

Purpose and Summary

These amendments update Chapter 59 to reflect changes necessary to conform with statutory provisions and reduce harm to public welfare by ensuring the timely payment of pharmacy claims.

Reason for Adoption of Rulemaking Without Prior Notice and Opportunity for Public Participation

Pursuant to Iowa Code section 17A.4(3), the Insurance Division finds that notice and public participation are unnecessary or impractical because of the authority granted in 2022 Iowa Acts, House File 2384, section 22. House File 2384 includes language for emergency rule making to implement the provisions of this Act.

Reason for Waiver of Normal Effective Date

Pursuant to Iowa Code section 17A.5(2)“b”(1)(a), the Division also finds that the normal effective date of rulemaking, 35 days after publication, should be waived and the rulemaking made effective November 27, 2024 because 2022 Iowa Acts, House File 2384, section 22, states: “The insurance division of the department of commerce may adopt emergency rules under 17A.4,

subsection 3, and section 17A.5, subsection 2, paragraph ‘b,’ to implement the provisions of this Act and the rules shall be effective immediately upon filing unless a later date is specified in the rules. Any rules adopted in accordance with this section shall also be published as a notice of intended action as provided in section 17A.4.”

Adoption of Rulemaking

This rulemaking was adopted by the Douglas Ommen, Iowa Insurance Commissioner, on November 5, 2024.

Fiscal Impact

This rulemaking has no fiscal impact to the state of Iowa.

Concurrent Publication of Notice of Intended Action

In addition to its adoption on an emergency basis, this rulemaking has been initiated through the normal rulemaking process and is published herein under Notice of Intended Action as ARC {XXXXC} to allow for public comment.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Division for a waiver of the discretionary provisions, if any, pursuant to 191—4.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special

meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on November 27, 2024.

The following rulemaking action is adopted:

ITEM 1. Amend rule 191—59.3(510B) as follows:

191—59.3(510B) Timely payment of pharmacy claims.

59.3(1) All benefits payable under a pharmacy benefits management plan shall be paid as soon as feasible but within 20 days after receipt of a clean claim when the claim is submitted electronically and shall be paid within 30 days after receipt of a clean claim when the claim is submitted in paper format.

59.3(2) A payment to the pharmacy for a clean claim is considered to be overdue and not timely if not paid within 20 or 30 days, whichever is applicable. If a clean claim is not timely paid, the pharmacy benefits manager must pay the pharmacy interest at the rate of 10 percent per annum commencing the day after any claim payment or portion thereof was due until the claim is finally settled or adjudicated in full.

59.3(3) A pharmacy benefits manager may demonstrate the date a claim is paid by a mail record or a bank statement.

59.3(4) Pursuant to Iowa Code section ~~510B.4~~ 510B.8C, and paragraph ~~59.4(1)“j,”~~ a pharmacy benefits manager shall not retroactively reduce ~~or increase~~ reimbursement, through adjustment or reconciliation or any other means, of a clean claim paid to pharmacies.