

# Bill Summary

**COMMITTEE:** Banking and Insurance

**DATE:** 11/14/11

**PRIME SPONSOR:** Rafferty

**BILL NO:** SB201

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## **A. Synopsis:**

Senate Bill 201 amends the Insurance Company Law of 1921 to provide for access to community pharmacy services.

## **B. Summary:**

SB201 states that if a pharmacy agrees to participate in a particular provider network, no health insurance policy, government program, or pharmacy benefit manager providing prescription coverage may, as a condition for the provision of benefits/reimbursement, may:

- Require a covered individual to obtain any prescription medication from a mail order pharmacy
- Impose upon a covered individual utilizing a retail pharmacy a deductible/prior authorization requirement not imposed upon a covered individual using mail order
- Subject any medication dispensed by a retail community pharmacy to a covered individual to a minimum or maximum quantity limit, length, or other certain restrictions not imposed on mail order
- Require a covered individual to pay for any medication dispensed by a retail community pharmacy and seek reimbursement if he/she is not required to do so in the same manner relating to a mail order pharmacy
- Subject a covered individual to any administrative requirement to use a retail pharmacy not imposed upon the use of a mail order pharmacy, including requirement to express an intent or exercise an option to not use any particular pharmacy or type of pharmacy as a condition of having a prescription dispensed by a retail pharmacy.
- Impose any other term/requirement pertaining to the use of the services of a retail community pharmacy that interferes with the right of a covered individual to obtain prescription medications from a retail pharmacy of the person's choice.

The bill clearly states that the above items are prohibited, including the promotion or advertising the use of a participating pharmacy, including mail order.

Any health insurance company or pharmacy benefit manager receiving incentive payments from anyone for the dispensing of prescription medicine must file annually with the Department.

A pharmacy in good standing with the State Board of Pharmacy will have a right to participate in a pharmacy provider network if the pharmacy offers to enter into an

agreement accepting the standard terms and conditions relating to dispensing fees, etc. These terms and conditions will provide convenient access to retail pharmacies and shall not be less than the amounts paid by or for the benefit of a health insurance company, pharmacy benefit manager, etc. A process is followed to determine whether these terms and conditions are not less than amounts paid to a mail order pharmacy. A pharmacy will not be eligible to participate in a provider network if violations have been made.

The Department will review the terms and conditions of pharmacy networks (health insurance companies or pharmacy benefit managers) and provide enforcement as needed. A covered individual or pharmacy accused of a violation may petition the agency.

Definitions are included for "covered individual," "government program," "health insurance company," "health insurance policy," "mail order pharmacy," "pharmacy benefit manager," and "retail community pharmacy."