



ARIZONA HOUSE OF REPRESENTATIVES

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SB 1356: pharmacy benefit managers; prohibited fees

Sponsor: Senator Barto, LD 15

Transmitted to the Governor

Overview

Prohibits a pharmacy benefit manager (PBM) from charging or holding a pharmacist or pharmacy responsible for fees related to the claims adjudication process.

History

A PBM is a person, business or other entity that, pursuant to a contract or under an employment relationship with an insurer or third-party payer, either directly or through an intermediary manages the prescription drug coverage provided by the insurer or other third-party payor, including: 1) the processing and payment of claims for prescription drugs; 2) the performance of drug utilization review; 3) the processing of drug prior authorization requests; 4) the adjudication of appeals or grievances related to prescription drug coverage; 5) contracting with network pharmacies; and 6) controlling the cost of covered prescription drugs ([A.R.S. § 20-3321](#)).

Statute provides that a PBM is prohibited from: 1) prohibiting a pharmacist or pharmacy from providing an insured individual information on the amount of the insured's cost share for the insured's prescription drug and the clinical efficacy of a more affordable alternative; 2) penalizing a pharmacy or pharmacist for disclosing such information to an insured; and 3) requiring a pharmacist or pharmacy to charge or collect from an insured a copayment that exceeds the total submitted charged by the network pharmacy ([A.R.S. § 44-1752](#))

Provisions

1. Prohibits a PBM, on behalf of itself, plan sponsor or insurer, from charging or holding a pharmacist or pharmacy responsible for a fee for any step of or component or mechanism related to the claims adjudication process, including:
 - a) Adjudicating a pharmacy benefit claim;
 - b) Processing or transmitting a pharmacy benefit claim; and
 - c) Developing, managing or participating in a claims processing or adjudication network.(Sec. 1)
2. Allows a pharmacy to submit a complaint of a violation to the Director of the Department of Financial Institutions (Director) provided that the pharmacy includes supporting documentation at the time the complaint is filed. (Sec. 1)
3. Requires the Director to investigate complaints and allows the Director to examine and audit the books and records of a PBM to determine if a violation has occurred. (Sec. 1)
4. Permits the Director, if a PBM has committed a violation, to:

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note

- a) Seek an injunction in a court of competent jurisdiction and apply for temporary and permanent orders that the director determines necessary to restrain the PBM from continuing to commit the violation; and
 - b) Issue a cease and desist order on the PBM. (Sec. 1)
- 5. Subjects a PBM who commits a violation of fee prohibitions to specified penalties. (Sec. 1)
 - 6. Allows a person to bring a civil action for damages against a PBM who committed a violation in a court of competent jurisdiction. (Sec. 1)
 - 7. Specifies that the above provisions apply to contracts entered into, amended, extended or renewed after the effective date of this act. (Sec. 2)