

IN THE SENATE

SENATE BILL NO. 1068, As Amended

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

RELATING TO INSURANCE; AMENDING TITLE 41, IDAHO CODE, BY THE ADDITION OF A  
NEW CHAPTER 65, TITLE 41, IDAHO CODE, TO DEFINE TERMS, TO PROVIDE FOR  
CERTAIN REQUIREMENTS FOR PHARMACY BENEFIT MANAGERS, TO PROHIBIT CER-  
TAIN ACTIONS, TO PROVIDE APPLICABILITY, AND TO PROVIDE RULEMAKING AU-  
THORITY; AND PROVIDING SEVERABILITY.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Title 41, Idaho Code, be, and the same is hereby amended  
by the addition thereto of a NEW CHAPTER, to be known and designated as Chap-  
ter 65, Title 41, Idaho Code, and to read as follows:

CHAPTER 65

PHARMACY BENEFIT MANAGERS

41-6501. DEFINITIONS. For purposes of this chapter:

(1) "Covered person" means a policyholder, subscriber, enrollee, or  
other individual participating in a plan providing health benefits. A cov-  
ered person includes the authorized representative of the covered person.

(2) "Entity" means a managed care organization, insurer, administra-  
tor, third-party payor, or self-funded health plan trust fund.

(3) "Network pharmacy" means a retail pharmacy that contracts with a  
pharmacy benefit manager.

(4) "Pharmacy benefit manager" means an organization, insurer, or a  
third-party administrator that offers or manages a prescription drug bene-  
fit program.

(5) "Retail pharmacy" means a chain pharmacy, a supermarket pharmacy,  
a mass merchandiser pharmacy, an independent pharmacy, or a network of inde-  
pendent pharmacies that is licensed as a pharmacy by the state of Idaho and  
that dispenses medications to the general public. Such term does not in-  
clude a nursing home pharmacy, long-term care pharmacy, hospital pharmacy,  
clinics, charitable or nonprofit pharmacy, government pharmacy, or pharmacy  
benefit managers.

41-6502. PHARMACY BENEFIT MANAGERS REQUIREMENTS. (1) There is hereby  
established in the Idaho department of insurance a pharmacy benefit managers  
program.

(2) As of January 1, 2020, all pharmacy benefit managers shall register  
annually with the director of the Idaho department of insurance before pro-  
viding, or continuing to provide, services to entities.

(3) A pharmacy benefit manager in the program shall not:

(a) Prohibit a pharmacist or retail pharmacy from providing a covered  
person information on the amount of the cost share for a prescription  
drug and the clinical efficacy of a more affordable alternative drug

1 if one is available, and a pharmacy benefit manager may not penalize  
2 a pharmacist or retail pharmacy for disclosing such information to a  
3 covered person or for selling to a covered person a more affordable al-  
4 ternative if one is available; or

5 (b) Require a pharmacist or retail pharmacy to charge or collect from a  
6 covered person a copayment that exceeds the total submitted charges by  
7 the network pharmacy.

8 (4) The provisions of this chapter shall not apply to pharmacy benefit  
9 managers that exclusively service the following: self-funded health plans  
10 not required to be registered under chapter 40 or 41, title 41, Idaho Code, or  
11 plans governed by tricare, medicare, Idaho medicaid, or medical assistance  
12 as defined in chapter 2, title 56, Idaho Code.

13 41-6503. RULEMAKING AUTHORITY. The director of the Idaho department  
14 of insurance is authorized to promulgate, adopt, and enforce rules and fees  
15 to implement and supervise the registration and such other requirements nec-  
16 essary for pharmacy benefit managers to provide services to entities in ac-  
17 cordance with the provisions of this chapter.

18 SECTION 2. SEVERABILITY. The provisions of this act are hereby declared  
19 to be severable and if any provision of this act or the application of such  
20 provision to any person or circumstance is declared invalid for any reason,  
21 such declaration shall not affect the validity of the remaining portions of  
22 this act.