

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 945 Session of 2019

INTRODUCED BY BARRAR, BERNSTINE, DEASY, DeLUCA, DUSH, FLYNN, GAYDOS, GREINER, HARKINS, HILL-EVANS, KAUFFMAN, KLUNK, LAWRENCE, MALONEY, MOUL, PYLE, READSHAW, RIGBY, SAYLOR, SCHMITT, STRUZZI, QUINN, MASSER, BURNS, KNOWLES, KOSIEROWSKI, STURLA, NEILSON AND WENTLING, JUNE 18, 2019

AS REPORTED FROM COMMITTEE ON HEALTH, HOUSE OF REPRESENTATIVES, AS AMENDED, NOVEMBER 19, 2019

AN ACT

1 Amending the act of June 13, 1967 (P.L.31, No.21), entitled "An
2 act to consolidate, editorially revise, and codify the public
3 welfare laws of the Commonwealth," in public assistance,
4 providing for use of pharmacy benefits manager by medical
5 assistance managed care organization.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. The act of June 13, 1967 (P.L.31, No.21), known
9 as the Human Services Code, is amended by adding a section to
10 read:

11 Section 449.1. Use of Pharmacy Benefits Manager by Medical
12 Assistance Managed Care Organization.--(a) The department shall<--
13 MAY prevent a medical assistance managed care organization from <--
14 entering into any contract for pharmacy services with a pharmacy
15 benefits manager if:

16 (1) the pharmacy benefits manager or a corporate affiliate
17 of the pharmacy benefits manager has an ownership interest in a

1 pharmacy providing the pharmacy services; or

2 (2) ~~the~~ A pharmacy providing the pharmacy services has an <--
3 ownership interest in the pharmacy benefits manager or a
4 corporate affiliate of the pharmacy benefits manager.

5 (b) A pharmacy benefits manager may not require that a
6 beneficiary use the services of a specific pharmacy for ANY <--
7 DRUG, INCLUDING a specialty drug.

8 (c) As used in this section, the following words and phrases
9 shall have the meanings given to them in this subsection:

10 "Medical assistance managed care organization" means a
11 Medicaid managed care organization as defined in section 1903(m)
12 (1)(a) of the Social Security Act (Public Law 74-271, 42 U.S.C.
13 § 1396b(m)(1)(A)) that is a party to a Medicaid managed care
14 contract with the department.

15 "Pharmacy benefits management" means any of the following:

16 (1) Procurement of prescription drugs at a negotiated
17 contracted rate for distribution within this Commonwealth to
18 covered individuals.

19 (2) Administration or management of prescription drug
20 benefits provided by a covered entity for the benefit of covered
21 individuals.

22 (3) Administration of pharmacy benefits, including:

23 (i) Operating a mail-service pharmacy.

24 (ii) Claims processing.

25 (iii) Managing a retail pharmacy network management.

26 (iv) Paying claims to pharmacies for prescription drugs
27 dispensed to covered individuals ~~via~~ BY A retail, specialty or <--
28 mail-order pharmacy.

29 (v) Developing and managing a clinical formulary,
30 utilization management and quality assurance programs.

1 (vi) Rebate contracting and administration.
2 (vii) Managing a patient compliance, therapeutic
3 intervention and generic substitution program.

4 (viii) Operating a disease management program.

5 (ix) Setting pharmacy reimbursement pricing and
6 methodologies, including maximum allowable cost, and determining
7 single or multiple source drugs.

8 "Pharmacy benefits manager" means a person, business or other
9 entity that performs pharmacy benefits management. The term
10 shall include ~~a wholly owned subsidiary~~ ANY AFFILIATED OWNERSHIP <--
11 of a medical assistance managed care organization that performs
12 pharmacy benefits management.

13 Section 2. This act shall take effect in 60 days.