

HOUSE BILL 1179

By Terry

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 8; Title 10; Title 56; Title 63; Title 68 and Title
71, relative to pharmacy benefits.

WHEREAS, this state's citizens would be better served by using the public money currently expended on state funded pharmacy benefits managers to instead fund efforts to curb substance abuse in this state; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 4-3-1013, is amended by deleting the language "pharmacy benefit managers (PBMs) or other appropriate third party contractors" and substituting the language "third party contractors" in subsection (a), deleting subdivision (b)(7), and deleting subsections (d) and (e).

SECTION 2. Tennessee Code Annotated, Section 4-3-1013, is amended by deleting the language "PBM" wherever it appears in the section and substituting the language "third party contractor".

SECTION 3. Tennessee Code Annotated, Section 4-3-1021, is amended by deleting the section.

SECTION 4. Tennessee Code Annotated, Section 10-7-504(n)(1)(A), is amended by deleting the subdivision.

SECTION 5. Tennessee Code Annotated, Section 71-5-197(c), is amended by deleting the subsection and substituting the following:

(c) The bureau of TennCare is authorized to negotiate supplemental manufacturer rebates for TennCare prescription drug purchases. However, when conducting the negotiations, the bureau shall utilize the average manufacturer's price

(AMP) as defined in 42 U.S.C. § 1396r-8(k)(1) or any other recognized acceptable basis for negotiating rebates as the cost basis for the product.

SECTION 6. Tennessee Code Annotated, Section 71-5-198(d), is amended by deleting the language ", through a state pharmacy benefit manager (PBM) or on its own,".

SECTION 7. This act shall take effect July 1, 2019, the public welfare requiring it.