

Bill Summary
1st Session of the 59th Legislature

Bill No.:	SB 549
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Author:	Sen. Montgomery
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Bill Analysis

SB 549 requires the Patient's Right to Pharmacy Choice Commission conduct hearings in accordance with the Administrative Procedures Act. Requires each health insurer payor that utilizes the services of a pharmacist benefits manager (PBM) and each PBM to electronically submit a network adequacy audit and any fees assessed to the Insurance Department on a semiannual basis. Each calendar day in a single 5-digit postal code where a PBM or insurer has failed to comply with these provisions shall be deemed an instance of violation. The measure also provides that a PBM contract shall not be amended or modified unilaterally by any party to the original or subsequent contract without providing proper notice and all parties agreeing to the changes. Additionally, no such contract may be unilaterally cancelled on or before the date of renewal without providing proper notice. The measure establishes a minimum fee of \$100.00 for each PBM violation. The measure also provides that if the National Drug Code number provided by the PBM is not available below the provider's acquisition cost from the pharmaceutical wholesaler from whom the provider purchases the majority of prescription drugs for resale, then the PBM shall adjust the Maximum Allowable Cost List above the challenging provider's acquisition cost and permit the provider to reverse and rebill each claim affected. The measure prohibits any PBM from cancelling or threatening to cancel its contract with a provider in response to a provider's declination to provide clinical or dispensing services to a patient if the provider was to be paid less than the cost to the pharmacy for providing such service.

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