

1 A bill to be entitled
 2 An act relating to pharmacy; creating s. 465.1862,
 3 F.S.; defining terms; providing requirements for
 4 contracts between pharmacy benefit managers and
 5 contracted pharmacies; requiring a pharmacy benefit
 6 manager to ensure that a prescription drug has met
 7 certain requirements to be placed on a maximum
 8 allowable cost pricing list; requiring the pharmacy
 9 benefit manager to disclose certain information to a
 10 plan sponsor; requiring a contract between a pharmacy
 11 benefit manager and a pharmacy to include an appeal
 12 process; providing an effective date.

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 14 Be It Enacted by the Legislature of the State of Florida:

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 16 Section 1. Section 465.1862, Florida Statutes, is created
 17 to read:

18 465.1862 Pharmacy benefit managers.—

19 (1) As used in this section, the term:

20 (a) "Contracted pharmacy" means a pharmacy or network of
 21 pharmacies that has executed a contract, which includes maximum
 22 allowable cost pricing requirements, with a pharmacy benefit
 23 manager and acts on behalf of a plan sponsor.

24 (b) "Maximum allowable cost" means the upper limit or
 25 maximum amount that an insurer or managed care plan will pay for
 26 generic prescription drugs or brand-name prescription drugs with

27 available generic versions, which are included on a list of
28 products generated by the pharmacy benefit manager.

29 (c) "Pharmacy benefit manager" means a person, business,
30 or other entity that provides administrative services related to
31 processing and paying prescription claims for pharmacy benefit
32 and coverage programs. Such services may include, but are not
33 limited to, contracting with a pharmacy or network of
34 pharmacies; establishing payment levels for pharmacies;
35 dispensing prescription drugs to plan sponsor beneficiaries;
36 negotiating discounts and rebate arrangements with drug
37 manufacturers; developing and managing prescription formularies,
38 preferred drug lists, and prior authorization programs; ensuring
39 audit compliance; and providing management reports.

40 (d) "Plan sponsor" means an employer, insurer, managed
41 care organization, prepaid limited health service organization,
42 third-party administrator, or other entity contracting for
43 pharmacy benefit manager services.

44 (2) A contract between a pharmacy benefit manager and a
45 contracted pharmacy must require the pharmacy benefit manager to
46 update the maximum allowable cost pricing information at least
47 every 7 calendar days and establish a reasonable process for the
48 prompt notification of any pricing updates to the contracted
49 pharmacy.

50 (3) A pharmacy benefit manager, to place a prescription
51 drug on a maximum allowable cost pricing list, at a minimum,
52 must ensure that the drug has at least two or more nationally

53 available, therapeutically equivalent, multiple-source generic
 54 drugs that:

55 (a) Have a significant cost difference.

56 (b) Are listed as therapeutically and pharmaceutically
 57 equivalent or "A" or "AB" rated in the most recent version of
 58 Orange Book: Approved Drug Products with Therapeutic Equivalence
 59 Evaluations published by the United States Food and Drug
 60 Administration.

61 (c) Are available for purchase from national or regional
 62 wholesalers without limitation by all pharmacies in the state.

63 (d) Are not obsolete or temporarily unavailable.

64 (4) In a contract between a pharmacy benefit manager and a
 65 plan sponsor, the pharmacy benefit manager must disclose the
 66 following to the plan sponsor:

67 (a) Whether the pharmacy benefit manager uses a maximum
 68 allowable cost pricing list for drugs dispensed at retail but
 69 does not use such a list for drugs dispensed by mail order. If
 70 such practice is adopted after a contract is executed, the
 71 pharmacy benefit manager shall disclose such practice to the
 72 plan sponsor within 21 business days after implementation of the
 73 practice.

74 (b) Whether the pharmacy benefit manager uses an identical
 75 maximum allowable cost pricing list to bill the plan sponsor and
 76 to reimburse a contracted pharmacy. If more than one maximum
 77 allowable cost pricing list is used, the pharmacy benefit
 78 manager shall disclose to the contracted pharmacy any difference

79 between the amount billed to the plan sponsor and the amount
80 paid as reimbursement to a contracted pharmacy.

81 (5) (a) Each contract between a pharmacy benefit manager
82 and a contracted pharmacy must include a process for appeal,
83 investigation, and resolution of disputes regarding maximum
84 allowable cost pricing. The process must:

85 1. Limit the right to appeal to 30 calendar days after an
86 initial claim is made by the contracted pharmacy.

87 2. Require investigation and resolution of a dispute
88 within 14 days after an appeal is received by the pharmacy
89 benefit manager.

90 3. Include a telephone number at which a contracted
91 pharmacy may contact the pharmacy benefit manager regarding an
92 appeal.

93 (b) If an appeal is denied, the pharmacy benefit manager
94 shall provide the reasons for denial and shall identify the
95 national drug code for the prescription drug that may be
96 purchased by the contracted pharmacy at a price at or below the
97 disputed maximum allowable cost pricing.

98 (c) If an appeal is upheld, the pharmacy benefit manager
99 shall adjust the maximum allowable cost pricing retroactive to
100 the date that the claim was adjudicated. The pharmacy benefit
101 manager shall apply the adjustment retroactively to any
102 similarly situated contracted pharmacy.

103 Section 2. This act shall take effect July 1, 2015.