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LEGISLATIVE ACTION

Senate

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House

The Committee on Health Policy (Montford) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Section 465.0244, Florida Statutes, is amended
to read:

465.0244 Information disclosure.—

(1) Every pharmacy shall make available on its website a
hyperlink to the health information that is disseminated by the
Agency for Health Care Administration pursuant to s. 408.05(3)



167480

11 and shall place in the area where customers receive filled
12 prescriptions notice that such information is available
13 electronically and the address of its Internet website.

14 (2) In addition to the requirements of s. 465.025, a
15 pharmacist or her or his authorized employee must inform a
16 customer of a less expensive, generically equivalent drug
17 product for her or his prescription and as to whether the
18 customer's cost-sharing obligation exceeds the retail price of
19 the prescription in the absence of prescription drug coverage.

20 Section 2. Section 465.1862, Florida Statutes, is repealed.

21 Section 3. Section 624.490, Florida Statutes, is created to
22 read:

23 624.490 Registration of pharmacy benefit managers.—

24 (1) As used in this section, the term "pharmacy benefit
25 manager" means a person or entity doing business in this state
26 which contracts to administer prescription drug benefits on
27 behalf of a health insurer or a health maintenance organization
28 to residents of this state.

29 (2) To conduct business in this state, a pharmacy benefit
30 manager must register with the office. To register, a pharmacy
31 benefit manager shall submit:

32 (a) A fee determined by the office.

33 (b) A copy of the registrant's corporate charter, articles
34 of incorporation, or other charter document.

35 (c) A form established by the office containing the
36 identity, address, and taxpayer identification number, when
37 applicable, of:

38 1. The registrant.

39 2. The chief executive officer or a similarly titled person



167480

40 responsible for the executive oversight of the registrant.

41 3. The chief financial officer or a similarly titled person
42 responsible for the financial oversight of the registrant.

43 4. Each person or entity responsible for the affairs of the
44 registrant, including, but not limited to, the day-to-day
45 operations of the registrant.

46 (3) The registrant shall report any change in information
47 required by subsection (2) to the office in writing within 60
48 days after the change occurs.

49 (4) Upon receipt of a completed registration form and the
50 registration fee, the office shall issue a registration
51 certificate. The certificate may be in paper or electronic form,
52 and shall clearly indicate the expiration date of the
53 registration. Registration certificates are nontransferable.

54 (5) A registration certificate is valid for 2 years from
55 its date of issue. The office shall set an initial registration
56 fee and a registration renewal fee, both of which shall be
57 nonrefundable. Total fees may not exceed the cost of
58 administering this section or \$500, whichever is less.

59 (6) The office shall adopt rules necessary to implement
60 this section.

61 Section 4. Section 627.64741, Florida Statutes, is created
62 to read:

63 627.64741 Pharmacy benefit manager contracts.—

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

65 (a) "Maximum allowable cost" means the per-unit amount that
66 a pharmacy benefit manager reimburses a pharmacist for a
67 prescription drug, excluding dispensing fees, prior to the
68 application of copayments, coinsurance, and other cost-sharing



167480

69 charges, if any.

70 (b) "Pharmacy benefit manager" means a person or entity
71 doing business in this state which contracts to administer or
72 manage prescription drug benefits on behalf of a health insurer
73 to residents of this state.

74 (2) A contract between a health insurer and a pharmacy
75 benefit manager must require that the pharmacy benefit manager:

76 (a) Update maximum allowable cost pricing information at
77 least every 7 calendar days.

78 (b) Maintain a process that will, in a timely manner,
79 eliminate drugs from maximum allowable cost lists or modify drug
80 prices to remain consistent with changes in pricing data used in
81 formulating maximum allowable cost prices and product
82 availability.

83 (3) A contract between a health insurer and a pharmacy
84 benefit manager must prohibit the pharmacy benefit manager from
85 limiting a pharmacist's ability to disclose whether the cost-
86 sharing obligation exceeds the retail price for a covered
87 prescription drug, and the availability of a more affordable
88 alternative drug, pursuant to s. 465.0244.

89 (4) A contract between a health insurer and a pharmacy
90 benefit manager must prohibit the pharmacy benefit manager from
91 requiring an insured to make a payment for a prescription drug
92 at the point of sale in an amount that exceeds the lesser of:

93 (a) The applicable cost-sharing amount; or

94 (b) The retail price of the drug in the absence of
95 prescription drug coverage.

96 (5) This section applies to contracts entered into or
97 renewed on or after July 1, 2018.



167480

98 Section 5. Section 627.6572, Florida Statutes, is created
99 to read:

100 627.6572 Pharmacy benefit manager contracts.—

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

102 (a) "Maximum allowable cost" means the per-unit amount that
103 a pharmacy benefit manager reimburses a pharmacist for a
104 prescription drug, excluding dispensing fees, prior to the
105 application of copayments, coinsurance, and any other cost-
106 sharing charges.

107 (b) "Pharmacy benefit manager" means a person or entity
108 doing business in this state which contracts to administer or
109 manage prescription drug benefits on behalf of a health insurer
110 to residents of this state.

111 (2) A contract between a health insurer and a pharmacy
112 benefit manager must require that the pharmacy benefit manager:

113 (a) Update maximum allowable cost pricing information at
114 least every 7 calendar days.

115 (b) Maintain a process that will, in a timely manner,
116 eliminate drugs from maximum allowable cost lists or modify drug
117 prices to remain consistent with changes in pricing data used in
118 formulating maximum allowable cost prices and product
119 availability.

120 (3) A contract between a health insurer and a pharmacy
121 benefit manager must prohibit the pharmacy benefit manager from
122 limiting a pharmacist's ability to disclose whether the cost-
123 sharing obligation exceeds the retail price for a covered
124 prescription drug, and the availability of a more affordable
125 alternative drug, pursuant to s. 465.0244.

126 (4) A contract between a health insurer and a pharmacy



167480

127 benefit manager must prohibit the pharmacy benefit manager from
128 requiring an insured to make a payment for a prescription drug
129 at the point of sale in an amount that exceeds the lesser of:

130 (a) The applicable cost-sharing amount; or

131 (b) The retail price of the drug in the absence of
132 prescription drug coverage.

133 (5) This section applies to contracts entered into or
134 renewed on or after July 1, 2018.

135 Section 6. Section 641.314, Florida Statutes, is created to
136 read:

137 641.314 Pharmacy benefit manager contracts.-

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

139 (a) "Maximum allowable cost" means the per-unit amount that
140 a pharmacy benefit manager reimburses a pharmacist for a
141 prescription drug, excluding dispensing fees, prior to the
142 application of copayments, coinsurance, and any other cost-
143 sharing charges.

144 (b) "Pharmacy benefit manager" means a person or entity
145 doing business in this state which contracts to administer or
146 manage prescription drug benefits on behalf of a health
147 maintenance organization to residents of this state.

148 (2) A contract between a health maintenance organization
149 and a pharmacy benefit manager must require that the pharmacy
150 benefit manager:

151 (a) Update maximum allowable cost pricing information at
152 least every 7 calendar days.

153 (b) Maintain a process that will, in a timely manner,
154 eliminate drugs from maximum allowable cost lists or modify drug
155 prices to remain consistent with changes in pricing data used in



167480

156 formulating maximum allowable cost prices and product
157 availability.

158 (3) A contract between a health maintenance organization
159 and a pharmacy benefit manager must prohibit the pharmacy
160 benefit manager from limiting a pharmacist's ability to disclose
161 whether the cost-sharing obligation exceeds the retail price for
162 a covered prescription drug, and the availability of a more
163 affordable alternative drug, pursuant to s. 465.0244.

164 (4) A contract between a health maintenance organization
165 and a pharmacy benefit manager must prohibit the pharmacy
166 benefit manager from requiring a subscriber to make a payment
167 for a prescription drug at the point of sale in an amount that
168 exceeds the lesser of:

169 (a) The applicable cost-sharing amount; or

170 (b) The retail price of the drug in the absence of
171 prescription drug coverage or programs that reduce the cost of a
172 drug to the patient.

173 (5) This section applies to contracts entered into or
174 renewed on or after July 1, 2018.

175 Section 7. This act shall take effect July 1, 2018.

177 ===== T I T L E A M E N D M E N T =====

178 And the title is amended as follows:

179 Delete everything before the enacting clause
180 and insert:

181 A bill to be entitled
182 An act relating to prescription drug pricing
183 transparency; amending s. 465.0244, F.S.; requiring
184 pharmacists to inform customers of less expensive,



167480

185 generically equivalent drugs for their prescriptions
186 and as to whether customers' cost-sharing obligations
187 exceed the retail price of their prescriptions;
188 repealing s. 465.1862, F.S., relating to pharmacy
189 benefit manager contracts; creating s. 624.490, F.S.;
190 defining the term "pharmacy benefit manager";
191 requiring a pharmacy benefit manager to register with
192 the Office of Insurance Regulation; providing
193 requirements and terms of registration, including the
194 payment of a registration fee; requiring the office to
195 issue certificates of registration and to set an
196 initial registration fee and a renewal fee, which may
197 not exceed a specified amount; requiring the office to
198 adopt rules; creating ss. 627.64741, 627.6572, and
199 641.314, F.S.; defining the terms "maximum allowable
200 cost" and "pharmacy benefit manager"; requiring that
201 certain terms be included in a contract between a
202 health insurer or a health maintenance organization
203 and a pharmacy benefit manager; providing
204 applicability; providing an effective date.