

By the Committees on Banking and Insurance; and Health Policy;
and Senators Montford, Grimsley, and Powell

597-03453-18

20181494c2

1 A bill to be entitled
2 An act relating to prescription drug pricing
3 transparency; amending s. 465.0244, F.S.; requiring
4 pharmacists to inform customers of less expensive,
5 generically equivalent drugs for their prescriptions
6 and as to whether customers' cost-sharing obligations
7 exceed the retail price of their prescriptions;
8 repealing s. 465.1862, F.S., relating to pharmacy
9 benefit manager contracts; creating s. 624.490, F.S.;
10 defining the term "pharmacy benefit manager";
11 requiring a pharmacy benefit manager to register with
12 the Office of Insurance Regulation beginning on a
13 specified date; providing requirements and terms of
14 registration, including the payment of a nonrefundable
15 fee; requiring the office to issue certificates of
16 registration; specifying that certificates are
17 nontransferable; requiring the Financial Services
18 Commission to set an initial registration fee and a
19 renewal fee which are nonrefundable and may not exceed
20 a specified amount; requiring the commission to adopt
21 rules; creating ss. 627.64741, 627.6572, and 641.314,
22 F.S.; defining the terms "maximum allowable cost" and
23 "pharmacy benefit manager"; requiring that certain
24 terms be included in a contract between a health
25 insurer or a health maintenance organization and a
26 pharmacy benefit manager; providing applicability;
27 providing an effective date.

28
29 Be It Enacted by the Legislature of the State of Florida:

597-03453-18

20181494c2

30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58

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

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

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 Section 465.1862, Florida Statutes, is repealed.

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

624.490 Registration of pharmacy benefit managers.—

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

(2) Beginning January 1, 2019, a pharmacy benefit manager must register with the office to conduct business in this state. To initially register or renew a registration, a pharmacy benefit manager must submit:

597-03453-18

20181494c2

59 (a) A nonrefundable fee;

60 (b) A copy of the registrant's corporate charter, articles
61 of incorporation, or other charter document; and

62 (c) A completed registration on a form adopted by the
63 commission which contains:

64 1. The name and address of the registrant; and

65 2. The name, address, and official position of each officer
66 and director of the registrant.

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

70 (4) Upon receipt of a completed registration form, required
71 documents, and the registration fee, the office shall issue a
72 registration certificate. The certificate may be in paper or
73 electronic form, and must indicate the expiration date of the
74 registration. Registration certificates are nontransferable.

75 (5) A registration certificate is valid for 2 years from
76 its date of issue. The commission shall adopt by rule an initial
77 registration fee not to exceed \$500 and a registration renewal
78 fee not to exceed \$500, both of which are nonrefundable.

79 (6) The commission shall adopt rules necessary to implement
80 this section.

81 Section 4. Section 627.64741, Florida Statutes, is created
82 to read:

83 627.64741 Pharmacy benefit manager contracts.—

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

85 (a) "Maximum allowable cost" means the per-unit amount that
86 a pharmacy benefit manager reimburses a pharmacist for a
87 prescription drug, excluding dispensing fees, prior to the

597-03453-18

20181494c2

88 application of copayments, coinsurance, and other cost-sharing
89 charges, if any.

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

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

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

98 (b) Maintain a process that will, in a timely manner,
99 eliminate drugs from maximum allowable cost lists or modify drug
100 prices to remain consistent with changes in pricing data used in
101 formulating maximum allowable cost prices and product
102 availability.

103 (3) A contract between a health insurer and a pharmacy
104 benefit manager must prohibit the pharmacy benefit manager from
105 limiting a pharmacist's ability to disclose whether the cost-
106 sharing obligation exceeds the retail price for a covered
107 prescription drug, and the availability of a more affordable
108 alternative drug, pursuant to s. 465.0244.

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

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

114 (b) The retail price of the drug in the absence of
115 prescription drug coverage.

116 (5) This section applies to contracts entered into or

597-03453-18

20181494c2

117 renewed on or after July 1, 2018.

118 Section 5. Section 627.6572, Florida Statutes, is created
119 to read:

120 627.6572 Pharmacy benefit manager contracts.-

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

122 (a) "Maximum allowable cost" means the per-unit amount that
123 a pharmacy benefit manager reimburses a pharmacist for a
124 prescription drug, excluding dispensing fees, prior to the
125 application of copayments, coinsurance, and any other cost-
126 sharing charges.

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

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

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

135 (b) Maintain a process that will, in a timely manner,
136 eliminate drugs from maximum allowable cost lists or modify drug
137 prices to remain consistent with changes in pricing data used in
138 formulating maximum allowable cost prices and product
139 availability.

140 (3) A contract between a health insurer and a pharmacy
141 benefit manager must prohibit the pharmacy benefit manager from
142 limiting a pharmacist's ability to disclose whether the cost-
143 sharing obligation exceeds the retail price for a covered
144 prescription drug, and the availability of a more affordable
145 alternative drug, pursuant to s. 465.0244.

597-03453-18

20181494c2

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

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

151 (b) The retail price of the drug in the absence of
152 prescription drug coverage.

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

155 Section 6. Section 641.314, Florida Statutes, is created to
156 read:

157 641.314 Pharmacy benefit manager contracts.—

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

159 (a) "Maximum allowable cost" means the per-unit amount that
160 a pharmacy benefit manager reimburses a pharmacist for a
161 prescription drug, excluding dispensing fees, prior to the
162 application of copayments, coinsurance, and any other cost-
163 sharing charges.

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

168 (2) A contract between a health maintenance organization
169 and a pharmacy benefit manager must require that the pharmacy
170 benefit manager:

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

173 (b) Maintain a process that will, in a timely manner,
174 eliminate drugs from maximum allowable cost lists or modify drug

597-03453-18

20181494c2

175 prices to remain consistent with changes in pricing data used in
176 formulating maximum allowable cost prices and product
177 availability.

178 (3) A contract between a health maintenance organization
179 and a pharmacy benefit manager must prohibit the pharmacy
180 benefit manager from limiting a pharmacist's ability to disclose
181 whether the cost-sharing obligation exceeds the retail price for
182 a covered prescription drug, and the availability of a more
183 affordable alternative drug, pursuant to s. 465.0244.

184 (4) A contract between a health maintenance organization
185 and a pharmacy benefit manager must prohibit the pharmacy
186 benefit manager from requiring a subscriber to make a payment
187 for a prescription drug at the point of sale in an amount that
188 exceeds the lesser of:

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

190 (b) The retail price of the drug in the absence of
191 prescription drug coverage.

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

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