

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

576-04148-18

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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 appropriation; providing an effective
28 date.
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30 Be It Enacted by the Legislature of the State of Florida:

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

34 465.0244 Information disclosure.—

35 (1) Every pharmacy shall make available on its website a
36 hyperlink to the health information that is disseminated by the
37 Agency for Health Care Administration pursuant to s. 408.05(3)
38 and shall place in the area where customers receive filled
39 prescriptions notice that such information is available
40 electronically and the address of its Internet website.

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

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 Section 465.1862, Florida Statutes, is repealed.

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

50 624.490 Registration of pharmacy benefit managers.—

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

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

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59 benefit manager must submit:

60 (a) A nonrefundable fee;

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

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

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

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

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

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

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

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

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

84 627.64741 Pharmacy benefit manager contracts.—

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

86 (a) "Maximum allowable cost" means the per-unit amount that
87 a pharmacy benefit manager reimburses a pharmacist for a

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88 prescription drug, excluding dispensing fees, prior to the
89 application of copayments, coinsurance, and other cost-sharing
90 charges, if any.

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

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

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

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

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

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

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

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

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

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

121 627.6572 Pharmacy benefit manager contracts.—

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

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

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

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

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

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

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

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146 alternative drug, pursuant to s. 465.0244.

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

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

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

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

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

158 641.314 Pharmacy benefit manager contracts.—

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

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

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

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

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

174 (b) Maintain a process that will, in a timely manner,

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175 eliminate drugs from maximum allowable cost lists or modify drug
176 prices to remain consistent with changes in pricing data used in
177 formulating maximum allowable cost prices and product
178 availability.

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

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

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

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

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

195 Section 7. The sums of \$74,141 in recurring funds and
196 \$5,000 in nonrecurring funds from the Insurance Regulatory Trust
197 Fund are appropriated to the Office of Insurance Regulation, and
198 one full-time equivalent position with associated salary rate of
199 45,043 is authorized, for the purpose of implementing this act.

200 Section 8. This act shall take effect July 1, 2018.