

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: SB879

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Reynolds

3. Committee: Commerce and Labor

4. Title: Pharmacy freedom of choice.

5. Summary: Conforms elements of Virginia's pharmacy freedom of choice law to North Carolina's pharmacy of choice law. The measure prohibits a health benefit plan from (i) prohibiting or limiting any resident who is eligible for reimbursement for pharmacy services under a health benefit plan from selecting the pharmacy of his choice to furnish such benefits when the pharmacy has agreed to participate in the health benefit plan according to the terms offered by the insurer; (ii) denying a pharmacy the opportunity to participate as a contract provider under a health benefit plan if the pharmacy agrees to provide pharmacy services that meet the terms and requirements of the insurer; (iii) imposing a copayment, fee, or condition that is not equally imposed upon all individuals in the same benefit category, class, or copayment level or a monetary advantage or penalty under a health benefit plan that would affect or influence a beneficiary's choice of pharmacy; (iv) reducing allowable reimbursement for pharmacy services to a beneficiary because the beneficiary selects a pharmacy of his choice; or (v) requiring a beneficiary to purchase pharmacy services exclusively through a mail-order pharmacy. A pharmacist who waives, discounts, rebates, or distorts a copayment or a beneficiary's coinsurance portion of a prescription drug coverage or reimbursement, or who fails to provide its pharmacy services to all enrollees on the same terms, is subject to license revocation or suspension by the Board of Pharmacy. Discriminatory offering of rebates and marketing incentives are prohibited. A provision stating that the State Corporation Commission has no jurisdiction to adjudicate controversies arising out of the section is deleted. Insurers violating this measure are subject to civil penalties, license revocation or suspension, and injunctive relief. A violation creates a civil cause of action for damages or injunctive relief in favor of any person or pharmacy aggrieved by the violation. The Commissioner of Insurance is prohibited from approving any health benefit plan providing pharmaceutical services that does not conform to this section. A provision of a health benefit plan that is contrary to this measure is void.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Indeterminate

- 8. Fiscal Implications:** The Department of Human Resource Management and the State Corporation Commission do not anticipate a fiscal impact from this legislation.
- 9. Specific Agency or Political Subdivisions Affected:** The Department of Human Resource Management and the State Corporation Commission
- 10. Technical Amendment Necessary:** None
- 11. Other Comments:** n/a

Date: 1/20/11 ckb

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