

State Corporation Commission 2020 Fiscal Impact Statement

1. Bill Number: HB1290

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

2. Patron: Hodges

3. Committee: Passed Both Houses

4. Title: Pharmacy benefits managers; licensure and regulation.

5. Summary: Provides that no person is authorized to provide pharmacy benefits management services or otherwise act as a pharmacy benefits manager without first obtaining a license from the State Corporation Commission. The measure prohibits a carrier on its own or through its contracted pharmacy benefits manager or representative of a pharmacy benefits manager from (i) causing or knowingly permitting the use of any advertisement, promotion, solicitation, representation, proposal; (ii) charge a pharmacist or pharmacy a fee related to the adjudication of a claim other than a reasonable fee for an initial claim submission; (iii) reimbursing a pharmacy or pharmacist an amount less than the amount that the pharmacy benefits manager reimburses a pharmacy benefits manager affiliate for providing the same pharmacist services, calculated on a per-unit basis using the same generic product identifier or generic code number and reflecting all drug manufacturer's rebates, direct and indirect administrative fees, and costs and any remuneration; or (iv) penalizing or retaliating against a pharmacist or pharmacy for exercising rights provided by this measure. The measure also prohibits a carrier from (a) imposing provider accreditation standards or certification requirements inconsistent with, more stringent than, or in addition to requirements of the Virginia Board of Pharmacy or other state or federal entity; (b) including any mail order pharmacy or pharmacy benefits manager affiliate in calculating or determining network adequacy; or (c) conducting spread pricing in the Commonwealth. The measure also imposes recordkeeping and reporting requirements.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: No fiscal impact on the State Corporation Commission

8. Fiscal Implications: None on the State Corporation Commission

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission Bureau of Insurance

10. Technical Amendment Necessary: No

11. Other Comments: Also see Senate Bill 251 which also pertains to pharmacy benefits managers, licensure and regulation.

Date: 2/25/2020/V. Tompkins