

# State Corporation Commission

## 2014 Fiscal Impact Statement

**1. Bill Number:** HB108

**House of Origin**     Introduced     Substitute     Engrossed

**Second House**     In Committee     Substitute     Enrolled

**2. Patron:**    Ware, R.L.

**3. Committee:** Passed House

**4. Title:**    Health insurance; carrier contracts with pharmacy providers.

**5. Summary:** Health insurance; carrier contracts with pharmacy providers. Requires any contract between a carrier and its intermediary, pursuant to which the intermediary has the right or obligation to conduct audits of participating pharmacy providers, and any provider contract between a carrier and a participating pharmacy provider or its contracting agent, pursuant to which the carrier has the right or obligation to conduct audits of participating pharmacy providers, that is entered into, amended, extended, or renewed on or after January 1, 2015, to contain provisions that prohibit the carrier or intermediary, in the absence of fraud by the participating pharmacy provider, from recouping amounts calculated from or arising out of specified acts, claims, or methods. Such contracts are also required to contain provisions prohibiting the carrier or intermediary, in the absence of fraud by the provider, from terminating or failing to renew the contractual relationship with a participating pharmacy provider for invoking its rights under these required contractual provisions. Provides that the SCC has no jurisdiction to adjudicate individual controversies that arise out of the bill.

**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 and the Commission's Bureau of Insurance

**10. Technical amendment necessary:** No

**11. Other comments:** This bill passed the House with a Substitute on January 20.

**Date:** 01/21/14/V. Tompkins

cc: Secretary of Commerce and Trade  
Secretary of Health and Human Resources