

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 Both Houses

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, from recouping amounts calculated from or arising out of specified acts, claims, or methods. Recoupment is not allowed with regard to any claim authorized and dispensed more than 24 months prior to the date of the audit unless the claim is adjusted at the direction of the State Corporation Commission, except that this time period shall be tolled while the denial of the claim is being appealed. 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.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: Final; 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: No

Date: 03/05/14/V. Tompkins

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