

State Corporation Commission

2019 Fiscal Impact Statement

1. Bill Number: HB2561

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Pillion

3. Committee: Health, Welfare and Institutions

4. Title: Pharmacy audits; pharmacy benefit managers.

5. Summary: Pharmacy audits; pharmacy benefits managers. Requires that provider contracts between a carrier or its pharmacy benefits manager and a pharmacy or its contracting agent provide that when an audit of the records of a pharmacy is conducted, the audit shall be conducted in accordance with specified criteria. Among other specifications, the criteria (i) require 30 days' advance notice before conducting the initial audit; (ii) bar audits during the first five calendar days of any month, on the day before or after a federal holiday, or on a Monday; (iii) give pharmacies the right to request a seven-day extension of the audit date; (iv) bar more than one audit of a pharmacy in a one-year period; (v) limit the period covered by an audit to two years from the date the initial prescription claim was submitted or adjudicated; (vi) require an audit that involves clinical or professional judgment to be conducted by or in consultation with a pharmacist; (vii) require audits to be conducted by a field agent who possesses the requisite expertise in pharmacy practice; and (viii) limit the circumstances in which reimbursements may be recouped.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: No Fiscal Impact on the State Corporation Commission. According to the Virginia Department of Health and the Virginia Dept. of Health Professions, fiscal impact estimates are not available.

8. Fiscal Implications: None on the State Corporation Commission. According to the Virginia Department of Health, the fiscal impact of House Bill 2561 is indeterminate. According to Virginia Department of Health Professions the fiscal impact is indeterminate.

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance, Virginia Department of Health, and Department of Health Professions

10. Technical amendment necessary: The State Corporation Commission Bureau of Insurance suggested that the patron of House Bill 2561 consider removing the requirement at Line 56 of the bill that the State Corporation Commission (SCC) promulgate a regulation to implement the provisions of the bill. The Bureau of Insurance does not believe a regulation would be necessary and recommended that the language after the second "and" on Line 55 be stricken, along with Lines 56-57. The SCC has the authority to promulgate regulations under Section 38.2-223 if at a future date the promulgation of a regulation became necessary.

11. Other comments: None

Date: 01/23/19/V. Tompkins