



# SENATE BILL 694: Reegan's Rule/Enforce Pharm. Ben. Mgt.

2015-2016 General Assembly

<b>Committee:</b>	Rules, Calendar, and Operations of the House	<b>Date:</b>	September 29, 2015
<b>Introduced by:</b>		<b>Prepared by:</b>	Kristen Harris
<b>Analysis of:</b>	PCS to Third Edition S694-CSMM-25		Committee Counsel

**SUMMARY:** *The Proposed Committee Substitute (PCS) for Senate Bill 694 would require parent education during well-child visits at specific age intervals regarding Type I Diabetes and amend the law pertaining to Pharmacy Benefits Managers (PBMs).*

**CURRENT LAW and BILL ANALYSIS:**

**Section 1** of the PCS would create a new G.S. 130A-221.5, "Diabetes education as part of well-child care," to encourage physicians, physician's assistants, or certified nurse practitioners who provide well-child care to educate and discuss the warning signs and symptoms of Type I diabetes with the parents of each child under their care at birth, and at yearly intervals until the child reaches the age of five.

**Section 2:** Currently, Pharmacy Benefits Managers (PBMs) process prescriptions for groups that pay for drugs, e.g., insurance companies or corporations, by acting as an intermediary between the payor and other members of the health system. Under Article 56A of Chapter 58, PBMs may place a particular drug on a "Maximum Allowable Cost" (MAC) price list, provided the drug meets certain criteria. Once a PBM places a drug on a MAC list, it is required to conduct a review of the MAC prices for potential removal or modification at least once every seven business days and, if necessary, modify the MAC price of the drug or remove it from the MAC price list within seven business days of the review.

**Section 2** of the PCS would create a new G.S. 56-56A-10 to give the Commissioner of Insurance ("Commissioner") enforcement authority over PBMs. The Commissioner of Insurance could impose monetary penalties as described in the statute and/or petition the Superior Court of Wake County for an order directing restitution from PBMs who violate the statute. The Commissioner would have discretion to determine the amount of monetary penalty in an amount of between \$100 and \$1,000 per day per prescription drug, for each prescription found to be improperly reimbursed as a result of the PBM's failure to comply with the requirements of G.S. 58-56A-5 pertaining to Maximum Allowable Cost.

**EFFECTIVE DATE:** Section 1 of this act becomes effective December 1, 2015. Section 2 of this act becomes effective July 1, 2016.

\*Staff Attorney Augustus Willis substantially contributed to this summary.

O. Walker Reagan  
Director



Research Division  
(919) 733-2578

\* S 6 9 4 - S M T U - 7 1 C S M M - 2 5 - V 3 \*