



HOUSE BILL 466: The Pharmacy Patient Fair Practices Act.

2017-2018 General Assembly

Committee:		Date:	August 3, 2017
Introduced by:		Prepared by:	Jason Moran-Bates Staff Attorney
Analysis of:	S.L. 2017-116		

OVERVIEW: *S.L. 2017-116 permits pharmacists to discuss lower-cost alternative drugs with consumers and sell lower-cost alternative drugs to consumers. It prohibits pharmacy benefits managers from using contract terms to prevent pharmacies from providing store direct delivery services. Pharmacy benefits managers are also prohibited from charging insureds a co-pay that exceeds the total submitted charges by a network pharmacy. Finally, it allows pharmacy benefits managers to charge pharmacies a fee for costs related to claim adjudication only if the fee was set out in a contract or reported on the remittance advice of the claim.*

This act will become effective October 1, 2017, and apply to all contracts entered into, renewed, or amended on or after that date.

CURRENT LAW: Pharmacy benefits managers are entities who contract with pharmacies on behalf of insurers to administer prescription drug benefits. Currently, they are regulated in their placement of drugs on the maximum allowable cost price list by Article 56A of Chapter 58, but they are not subject to additional regulation.

BILL ANALYSIS: S.L. 2017-116 amends Article 56A of Chapter 58 by adding additional requirements for pharmacy benefits managers.

Section 1 adds definitions for "insured" and "pharmacist" to G.S.58-56A-1.

Section 2 requires pharmacy benefits managers to permit pharmacists to discuss an insured's cost share for a drug, disseminate information about lower-priced alternative drugs, and sell a lower-priced alternative drugs without penalty. Pharmacy benefits managers are prohibited from using contractual terms to prevent pharmacies from providing store direct delivery services, from charging insureds co-payments that exceed the total charges submitted by a network pharmacy, and from charging fees or otherwise holding pharmacies responsible for the costs of adjudicating a claim, unless the fee is set out in contract or reported on the remittance advice of the adjudicated claim. Section 2 also requires contracts between pharmacy benefits managers and insurers to be made available to the Department of Insurance for review and requires the Department of Insurance to report any violations of G.S. 58-56A-3 or G.S. 58-56A-4 to the Attorney General.

Section 3 permits the Commissioner of Insurance to adopt rules to implement the act.

EFFECTIVE DATE: The bill will become effective October 1, 2017, and apply to all contracts entered into, renewed, or amended on or after that date.

**Staff Attorney Gus Willis contributed substantially to the preparation of this summary.*

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