



SENATE BILL 384: The Pharmacy Patient Fair Practices Act.

2017-2018 General Assembly

Committee:	Senate Rules and Operations of the Senate	Date:	April 26, 2017
Introduced by:	Sens. Britt, Rabon, Meredith	Prepared by:	Augustus D. Willis Staff Attorney
Analysis of:	Third Edition		

OVERVIEW: *Senate Bill 384 would permit pharmacists to discuss lower-cost alternative drugs with, and sell lower-cost alternative drugs to, consumers. It would prohibit pharmacy benefits managers from using contract terms to prevent pharmacies from providing store direct delivery services. Pharmacy benefits managers would be prohibited from charging insureds a co-pay that exceeds the total submitted charges by a network pharmacy. Contracts between pharmacy benefits managers and insurers would have to be made available to the Department of Insurance, and the Department would be required to report violations of the requirements imposed by the bill to the Attorney General. Finally, it would allow 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.*

[As introduced, this bill was identical to H466, as introduced by Rep. Brenden Jones, which is currently in House Insurance.]

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: Senate Bill 384 would amend Article 56A of Chapter 58 by adding additional requirements for pharmacy benefits managers.

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

Section 2 would require 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 would be 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 was set out in contract or reported on the remittance advice of the adjudicated claim. Contracts between pharmacy benefits managers and insurers would be required to be made available for review by the Department of Insurance and the Department would be required to report violations of the new provisions to the Attorney General.

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

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

**Staff Attorney Jason Moran-Bates contributed substantially to the preparation of this summary.*

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