SENATE BILL 479: SCRIPT Act.

2025-2026 General Assembly

Committee:	Senate Health Care. If favorable, re-refer to Commerce and Insurance. If favorable, re-refer to Finance. If favorable, re-refer to Rules and Operations of the Senate	**Date:**	April 10, 2025
Introduced by:	Sens. Sawrey, Britt, Galey	**Prepared by:**	Jason Moran-Bates
Analysis of:	First Edition		Committee Staff

OVERVIEW: Senate Bill 479 would do the following:

- ***Allow monetary advantages for pharmacies in pharmacy deserts.***
- ***Implement licensing and regulation of pharmacy services administrative organizations (PSAO).***
- ***Require pharmacy benefits managers (PBM) to report to the Department of Insurance (DOI) and act as a fiduciary in all of their contractual dealings.***
- ***Apply the prescription drug coverage provisions of Chapter 58 (Insurance) to PBMs.***
- ***Clarify that the pharmacy of choice provisions of Chapter 58 apply to PBMs.***
- ***Allow independent pharmacies to decline to fill a prescription and refer a patient if that can be done without causing harm to the patient.***
- ***Make changes to and recodify the pharmacy audit procedures in Chapter 90 (Health and Allied Occupations).***
- ***Require PBMs to reimburse affiliated and non-affiliated pharmacies the same rate for the same services.***
- ***Require drug manufacturers to notify interested parties about price increases.***
- ***Make violation of many of these provisions unfair trade practices.***

BILL ANALYSIS:

Part I of the bill would allow insurers to offer monetary advantages affecting an insured's choice of pharmacy in counties with less than 5,000 residents, urban communities without pharmacies within a one-mile radius of any point of the community, or rural communities without pharmacies within a 10-mile radius of any point of the community. Part I would also make technical and conforming changes.

Part I becomes effective October 1, 2025, and applies to insurance contracts issued or amended on or after that date.

Part II would implement licensing and regulation of PSAOs as follows:

- PSAOs must be licensed by DOI. The initial application fee is $200, and the renewal fee is $150. Applications must list contact information for the PSAO, information on all owners of the PSAO,

and a certification that no owner has been convicted of a felony or violated any relevant state or federal regulation.

- PSAOs must notify DOI of any ownership changes within 5 days. PSAOs must inform independent pharmacies, PBMs, and third-party payers of their ownership structure prior to entering into a contract with any of those entities.
- Contracts between a pharmacy and a PSAO must include a requirement that the PSAO provide the pharmacy with the details of any contracts, amendments, payment schedules, or reimbursement rates the PSAO agrees to on behalf of the pharmacy within three days. PSAOs must contractually agree to provide pharmacies with the statutorily-required ownership disclosures. If the PSAO enters into a contract with a PBM that allows the PBM to audit the pharmacy, the PSAO must allow the PBM to obtain audit information from the PSAO. PSAOs must remit payments to pharmacies within a reasonable time established by contract.
- PSAOs may not discriminate on price of drugs sold to an independent pharmacy based on the wholesale purchase price of the drug.
- PSAOs must annually report to DOI on the total of all coupons, discounts, concessions, or vouchers accepted by the PSAO to reduce an insured's cost-sharing and the total received by the PSAO itself for those items.
- PSAOs owned by drug manufacturers cannot require pharmacies to buy drugs from the owning entity. Any ownership stake in a PSAO by a drug manufacturer must be disclosed.
- PSAOs must facilitate communication between pharmacies and PBMs during any dispute. Notice to a PSAO will count as notice to the pharmacy. PSAOs must forward notices of appeal to PBMs and inform the pharmacy if the appeal does not meet the standards required by the contract between the PSAO and the pharmacy.
- Violations of these provisions subject the PSAO to a civil penalty of $1,000 per day and will be considered unfair trade practices under Chapter 75.

Part II becomes effective October 1, 2026, and applies to contracts entered into, renewed, or amended on or after that date.

Part III would do the following:

- Require PBMs to annually report to DOI, and report to insurers on request, the following information:
    - The aggregate amount of rebates the PBM received from drug manufacturers.
    - Details on any other fees received from drug manufactures.
    - The average amount paid to pharmacies for each drug and device, net of average fees and other assessments.
    - Any difference between the average amount paid to pharmacies and the average amount received from insurers.
    - A list of all pharmacies under common ownership with the PBM.
    - The difference between what the PBM charges pharmacies under common ownership with the PBM and all other pharmacies.

  - The aggregate amount of all fees collected from in-network pharmacies.
  - The aggregate amount of rebates and fees passed on to insurers and insureds.
  - The highest, lowest, and mean aggregate percentages for rebates retained by the PBM.
- Prevent PBMs from requiring pharmacies to accept a reimbursement amount that is less than the PBM paid to acquire it. Pharmacies would be permitted to refuse to dispense drugs if they were to be reimbursed less than the PBM paid to acquire the drug.
- Make the coverage provisions of Chapter 58 (Insurance) for prescription drugs apply to PBMs to the same extent that they apply to insurers. The unfair trade practice provisions of Chapter 58 would also apply to PBMs.
- Require PBMs to act as a fiduciary in all its contractual obligations.

The provisions of Part III applying coverage requirements to PBMs and requiring PBMs to act as fiduciaries would become effective when the bill becomes law. The remainder of Part III would be effective October 1, 2025.

Part IV would clarify that the pharmacy of choice provisions of Chapter 58 apply to PBMs to the same extent that they apply to insurers. PBM pharmacy networks must meet the standards required under Medicare Part D for convenient access to network pharmacies.

Part IV would become effective October 1, 2025, and apply to contracts entered into, renewed, or amended on or after that date.

Part V would allow independent pharmacies to decline to fill a prescription and refer a patient if that can be done without causing harm to the patient. The Board of Pharmacy would be required to adopt rules to implement these provisions.

Part V would become effective October 1, 2025.

Part VI would do the following:

- Recodify the pharmacy audit provisions of Article 4C of Chapter 90 into Chapter 58.
- Make technical and conforming changes.
- Add definitions.
- Limit pharmacy audits to a maximum of 25 total prescriptions.
- Require pharmacies to receive at least 14 days' notice prior to audits of additional claims.
- Require pharmacies to receive advance notice of any recoupment, including the amount of the recoupment and the date it will be made.
- Make violations of the pharmacy audit provisions unfair trade practices under Chapter 75 and Article 63 of Chapter 58.

The recodification and technical and conforming changes would be effective when the bill becomes law. The remaining provisions in Part VI would be effective January 1, 2026, and apply to audits conducted on or after that date.

Part VII would prohibit PBMs from reimbursing affiliated pharmacies more than they reimburse non-affiliated pharmacies for the same drug or services. Violations of this provision would be unfair trade practices under Chapter 75 and Article 63 of Chapter 58.

Part VII would become effective October 1, 2025, and apply to pharmacist services provided or prescription drugs dispensed on or after that date.

Part VIII would require insurers and PBMs to take into account pharmacy rebates when determining cost-sharing for insureds. The cost of the drug must be reduced by 90% of all received or expected rebates before cost-sharing is calculated. Insurers must annually certify to the Insurance Commissioner that they are complying with these provisions. Failure to comply with the provisions would be an unfair trade practice under Chapter 75 and Article 63 of Chapter 58.

Part VIII would become effective October 1, 2025, and apply to prescription drugs purchased on or after that date.

Part IX would require drug manufacturers to notify (i) all state agencies that purchase prescription drugs or employ drug prescribers, (ii) health insurance companies, (iii) healthcare service plan providers, and (iv) PBMs of the 20 highest prescription drug price increases each calendar year. The notification must also include the date and price of acquisition of the drug and the price increases of the drug over the previous five years. Prices of newly-developed drugs must be disclosed within 3 days after FDA approval of the drug. A civil penalty of $1,000 per day can be assessed for a failure to notify. DHHS must collect drug price information from manufacturers and submit an annual report to the Joint Legislative Oversight Committee on Health and Human Services no later than March 1. This information must also be made available online.

Part IX would be effective when it becomes law.

EFFECTIVE DATE: Except as otherwise provided this bill would be effective when it becomes law.