

Amendment Summary

A10274 (White)

COMMITTEE: Banking and Insurance **DATE:** 9/26/16
PRIME SPONSOR: Baker **BILL NO:** HB 946
PREPARED BY: Carlton Logue **PRINTER'S NO:** 3707

Removes “remote audits” from the bill. The bill will now only apply to “on-site audits.”

Changes the prior notification requirements for auditing entities from 10 business days to 14 calendar days.

Changes the delay request notice requirement for pharmacies from 5 days to 72 hours.

Changes “agent of the beneficiary” to “beneficiary’s caregiver or guardian.”

The bill currently requires the name of the individual who conducted the audit be placed on the preliminary report. The amendment replaces “individual” with “auditing entity” and requires the report to include an appropriate and accessible point of contact.

Makes a technical change to the appeals process language.

Adds language included in HB 947, which provides for pharmacy benefit manager (PBMs) registration and regulation:

- PBMs are required to register annually with the PA Insurance Department (PID). PID shall promulgate regulations to implement the registration process.
- Generic Drug Lists:
 - PBMs may not place a drug on the generic drug list unless:
 1. The drug is A, B, NA, or NR rated by the FDA or is an authorized generic;
 2. The drug is available for purchase by all pharmacies in the state with a national or regional wholesaler and is not obsolete or temporarily unavailable
- If a drug fails to meet these requirements and it is on generic drug list, it must be removed in a timely fashion.
- Generic drug lists shall be made available to the pharmacies at the time of the contract, including the maximum allowable cost and any pricing formula.
- The generic drug lists shall be updated at least once every 7 business days and made readily available to the pharmacy, including through electronic means.
- The PBM and pharmacy are required to establish an appeals process for the maximum allowable cost for a particular drug.

- PID has the ability to enforce the provisions of this Act and shall promulgate regulations necessary to implement the Act. A violation of this Act shall constitute an Unfair Trade Practice and subject the PBM or pharmacy to financial penalty.