

By the Committee on Health Policy; and Senators Montford and Grimsley

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1                   A bill to be entitled  
2           An act relating to prescription drug pricing  
3           transparency; amending s. 465.0244, F.S.; requiring  
4           pharmacists to inform customers of less expensive,  
5           generically equivalent drugs for their prescriptions  
6           and as to whether customers' cost-sharing obligations  
7           exceed the retail price of their prescriptions;  
8           repealing s. 465.1862, F.S., relating to pharmacy  
9           benefit manager contracts; creating s. 624.490, F.S.;  
10          defining the term "pharmacy benefit manager";  
11          requiring a pharmacy benefit manager to register with  
12          the Office of Insurance Regulation; providing  
13          requirements and terms of registration, including the  
14          payment of a registration fee; requiring the office to  
15          issue certificates of registration and to set an  
16          initial registration fee and a renewal fee, which may  
17          not exceed a specified amount; requiring the office to  
18          adopt rules; creating ss. 627.64741, 627.6572, and  
19          641.314, F.S.; defining the terms "maximum allowable  
20          cost" and "pharmacy benefit manager"; requiring that  
21          certain terms be included in a contract between a  
22          health insurer or a health maintenance organization  
23          and a pharmacy benefit manager; providing  
24          applicability; providing an effective date.

25  
26 Be It Enacted by the Legislature of the State of Florida:

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28           Section 1. Section 465.0244, Florida Statutes, is amended  
29           to read:

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30 465.0244 Information disclosure.—

31 (1) Every pharmacy shall make available on its website a  
32 hyperlink to the health information that is disseminated by the  
33 Agency for Health Care Administration pursuant to s. 408.05(3)  
34 and shall place in the area where customers receive filled  
35 prescriptions notice that such information is available  
36 electronically and the address of its Internet website.

37 (2) In addition to the requirements of s. 465.025, a  
38 pharmacist or her or his authorized employee must inform a  
39 customer of a less expensive, generically equivalent drug  
40 product for her or his prescription and as to whether the  
41 customer's cost-sharing obligation exceeds the retail price of  
42 the prescription in the absence of prescription drug coverage.

43 Section 2. Section 465.1862, Florida Statutes, is repealed.

44 Section 3. Section 624.490, Florida Statutes, is created to  
45 read:

46 624.490 Registration of pharmacy benefit managers.—

47 (1) As used in this section, the term "pharmacy benefit  
48 manager" means a person or entity doing business in this state  
49 which contracts to administer prescription drug benefits on  
50 behalf of a health insurer or a health maintenance organization  
51 to residents of this state.

52 (2) To conduct business in this state, a pharmacy benefit  
53 manager must register with the office. To register, a pharmacy  
54 benefit manager shall submit:

55 (a) A fee determined by the office.

56 (b) A copy of the registrant's corporate charter, articles  
57 of incorporation, or other charter document.

58 (c) A form established by the office containing the

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59 identity, address, and taxpayer identification number, when  
60 applicable, of:

61 1. The registrant.

62 2. The chief executive officer or a similarly titled person  
63 responsible for the executive oversight of the registrant.

64 3. The chief financial officer or a similarly titled person  
65 responsible for the financial oversight of the registrant.

66 4. Each person or entity responsible for the affairs of the  
67 registrant, including, but not limited to, the day-to-day  
68 operations of the registrant.

69 (3) The registrant shall report any change in information  
70 required by subsection (2) to the office in writing within 60  
71 days after the change occurs.

72 (4) Upon receipt of a completed registration form and the  
73 registration fee, the office shall issue a registration  
74 certificate. The certificate may be in paper or electronic form,  
75 and shall clearly indicate the expiration date of the  
76 registration. Registration certificates are nontransferable.

77 (5) A registration certificate is valid for 2 years from  
78 its date of issue. The office shall set an initial registration  
79 fee and a registration renewal fee, both of which shall be  
80 nonrefundable. Total fees may not exceed the cost of  
81 administering this section or \$500, whichever is less.

82 (6) The office shall adopt rules necessary to implement  
83 this section.

84 Section 4. Section 627.64741, Florida Statutes, is created  
85 to read:

86 627.64741 Pharmacy benefit manager contracts.—

87 (1) As used in this section, the term:

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88 (a) "Maximum allowable cost" means the per-unit amount that  
89 a pharmacy benefit manager reimburses a pharmacist for a  
90 prescription drug, excluding dispensing fees, prior to the  
91 application of copayments, coinsurance, and other cost-sharing  
92 charges, if any.

93 (b) "Pharmacy benefit manager" means a person or entity  
94 doing business in this state which contracts to administer or  
95 manage prescription drug benefits on behalf of a health insurer  
96 to residents of this state.

97 (2) A contract between a health insurer and a pharmacy  
98 benefit manager must require that the pharmacy benefit manager:

99 (a) Update maximum allowable cost pricing information at  
100 least every 7 calendar days.

101 (b) Maintain a process that will, in a timely manner,  
102 eliminate drugs from maximum allowable cost lists or modify drug  
103 prices to remain consistent with changes in pricing data used in  
104 formulating maximum allowable cost prices and product  
105 availability.

106 (3) A contract between a health insurer and a pharmacy  
107 benefit manager must prohibit the pharmacy benefit manager from  
108 limiting a pharmacist's ability to disclose whether the cost-  
109 sharing obligation exceeds the retail price for a covered  
110 prescription drug, and the availability of a more affordable  
111 alternative drug, pursuant to s. 465.0244.

112 (4) A contract between a health insurer and a pharmacy  
113 benefit manager must prohibit the pharmacy benefit manager from  
114 requiring an insured to make a payment for a prescription drug  
115 at the point of sale in an amount that exceeds the lesser of:

116 (a) The applicable cost-sharing amount; or

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117 (b) The retail price of the drug in the absence of  
118 prescription drug coverage.

119 (5) This section applies to contracts entered into or  
120 renewed on or after July 1, 2018.

121 Section 5. Section 627.6572, Florida Statutes, is created  
122 to read:

123 627.6572 Pharmacy benefit manager contracts.-

124 (1) As used in this section, the term:

125 (a) "Maximum allowable cost" means the per-unit amount that  
126 a pharmacy benefit manager reimburses a pharmacist for a  
127 prescription drug, excluding dispensing fees, prior to the  
128 application of copayments, coinsurance, and any other cost-  
129 sharing charges.

130 (b) "Pharmacy benefit manager" means a person or entity  
131 doing business in this state which contracts to administer or  
132 manage prescription drug benefits on behalf of a health insurer  
133 to residents of this state.

134 (2) A contract between a health insurer and a pharmacy  
135 benefit manager must require that the pharmacy benefit manager:

136 (a) Update maximum allowable cost pricing information at  
137 least every 7 calendar days.

138 (b) Maintain a process that will, in a timely manner,  
139 eliminate drugs from maximum allowable cost lists or modify drug  
140 prices to remain consistent with changes in pricing data used in  
141 formulating maximum allowable cost prices and product  
142 availability.

143 (3) A contract between a health insurer and a pharmacy  
144 benefit manager must prohibit the pharmacy benefit manager from  
145 limiting a pharmacist's ability to disclose whether the cost-

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146 sharing obligation exceeds the retail price for a covered  
147 prescription drug, and the availability of a more affordable  
148 alternative drug, pursuant to s. 465.0244.

149 (4) A contract between a health insurer and a pharmacy  
150 benefit manager must prohibit the pharmacy benefit manager from  
151 requiring an insured to make a payment for a prescription drug  
152 at the point of sale in an amount that exceeds the lesser of:

153 (a) The applicable cost-sharing amount; or

154 (b) The retail price of the drug in the absence of  
155 prescription drug coverage.

156 (5) This section applies to contracts entered into or  
157 renewed on or after July 1, 2018.

158 Section 6. Section 641.314, Florida Statutes, is created to  
159 read:

160 641.314 Pharmacy benefit manager contracts.-

161 (1) As used in this section, the term:

162 (a) "Maximum allowable cost" means the per-unit amount that  
163 a pharmacy benefit manager reimburses a pharmacist for a  
164 prescription drug, excluding dispensing fees, prior to the  
165 application of copayments, coinsurance, and any other cost-  
166 sharing charges.

167 (b) "Pharmacy benefit manager" means a person or entity  
168 doing business in this state which contracts to administer or  
169 manage prescription drug benefits on behalf of a health  
170 maintenance organization to residents of this state.

171 (2) A contract between a health maintenance organization  
172 and a pharmacy benefit manager must require that the pharmacy  
173 benefit manager:

174 (a) Update maximum allowable cost pricing information at

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175 least every 7 calendar days.

176 (b) Maintain a process that will, in a timely manner,  
177 eliminate drugs from maximum allowable cost lists or modify drug  
178 prices to remain consistent with changes in pricing data used in  
179 formulating maximum allowable cost prices and product  
180 availability.

181 (3) A contract between a health maintenance organization  
182 and a pharmacy benefit manager must prohibit the pharmacy  
183 benefit manager from limiting a pharmacist's ability to disclose  
184 whether the cost-sharing obligation exceeds the retail price for  
185 a covered prescription drug, and the availability of a more  
186 affordable alternative drug, pursuant to s. 465.0244.

187 (4) A contract between a health maintenance organization  
188 and a pharmacy benefit manager must prohibit the pharmacy  
189 benefit manager from requiring a subscriber to make a payment  
190 for a prescription drug at the point of sale in an amount that  
191 exceeds the lesser of:

192 (a) The applicable cost-sharing amount; or

193 (b) The retail price of the drug in the absence of  
194 prescription drug coverage.

195 (5) This section applies to contracts entered into or  
196 renewed on or after July 1, 2018.

197 Section 7. This act shall take effect July 1, 2018.