
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 945 Session of
2019

INTRODUCED BY BARRAR, BERNSTINE, DEASY, DeLUCA, DUSH, FLYNN,
GAYDOS, GREINER, HARKINS, HILL-EVANS, KAUFFMAN, KLUNK,
LAWRENCE, MALONEY, MOUL, PYLE, READSHAW, RIGBY, SAYLOR,
SCHMITT AND STRUZZI, JUNE 18, 2019

REFERRED TO COMMITTEE ON HEALTH, JUNE 18, 2019

AN ACT

1 Amending the act of June 13, 1967 (P.L.31, No.21), entitled "An
2 act to consolidate, editorially revise, and codify the public
3 welfare laws of the Commonwealth," in public assistance,
4 providing for use of pharmacy benefits manager by medical
5 assistance managed care organization.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. The act of June 13, 1967 (P.L.31, No.21), known
9 as the Human Services Code, is amended by adding a section to
10 read:

11 Section 449.1. Use of Pharmacy Benefits Manager by Medical
12 Assistance Managed Care Organization.--(a) The department shall
13 prevent a medical assistance managed care organization from
14 entering into any contract for pharmacy services with a pharmacy
15 benefits manager if:

16 (1) the pharmacy benefits manager or a corporate affiliate
17 of the pharmacy benefits manager has an ownership interest in a
18 pharmacy providing the pharmacy services; or

1 (2) the pharmacy providing the pharmacy services has an
2 ownership interest in the pharmacy benefits manager or a
3 corporate affiliate of the pharmacy benefits manager.

4 (b) A pharmacy benefits manager may not require that a
5 beneficiary use the services of a specific pharmacy for a
6 specialty drug.

7 (c) As used in this section, the following words and phrases
8 shall have the meanings given to them in this subsection:

9 "Medical assistance managed care organization" means a
10 Medicaid managed care organization as defined in section 1903(m)
11 (1)(a) of the Social Security Act (Public Law 74-271, 42 U.S.C.
12 § 1396b(m)(1)(A)) that is a party to a Medicaid managed care
13 contract with the department.

14 "Pharmacy benefits management" means any of the following:

15 (1) Procurement of prescription drugs at a negotiated
16 contracted rate for distribution within this Commonwealth to
17 covered individuals.

18 (2) Administration or management of prescription drug
19 benefits provided by a covered entity for the benefit of covered
20 individuals.

21 (3) Administration of pharmacy benefits, including:

22 (i) Operating a mail-service pharmacy.

23 (ii) Claims processing.

24 (iii) Managing a retail pharmacy network management.

25 (iv) Paying claims to pharmacies for prescription drugs
26 dispensed to covered individuals via retail, specialty or mail-
27 order pharmacy.

28 (v) Developing and managing a clinical formulary,
29 utilization management and quality assurance programs.

30 (vi) Rebate contracting and administration.

1 (vii) Managing a patient compliance, therapeutic
2 intervention and generic substitution program.

3 (viii) Operating a disease management program.

4 (ix) Setting pharmacy reimbursement pricing and
5 methodologies, including maximum allowable cost, and determining
6 single or multiple source drugs.

7 "Pharmacy benefits manager" means a person, business or other
8 entity that performs pharmacy benefits management. The term
9 shall include a wholly owned subsidiary of a medical assistance
10 managed care organization that performs pharmacy benefits
11 management.

12 Section 2. This act shall take effect in 60 days.