

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Christopher M. Markey, (BY REQUEST)

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act prohibiting spread pricing.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Shane Rose</i>		<i>12/22/2019</i>

HOUSE No.

By Mr. Markey of Dartmouth (by request), a petition (subject to Joint Rule 12) of Shane Rose for legislation to prohibit spread pricing of prescription drugs. Financial Services.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act prohibiting spread pricing.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. (a) Disclosure of multiple source generic list: A pharmacy benefit manager
2 shall disclose to a health insurer whether or not the pharmacy benefit manager uses the same
3 multiple source generic list when billing a health insurer as it does when reimbursing a
4 pharmacy.

5 (b) Disclosure of difference in amounts paid and charged: If a pharmacy benefit manager
6 uses more than one multiple source generic list, the pharmacy benefit manager shall disclose to a
7 health insurer any difference between the amount paid to a pharmacy and the amount charged to
8 the health insurer.

9 SECTION 2. Spread pricing definition: Spread pricing means any amount of pharmacy
10 benefit manager charges or claims from a health plan provider or managed care organization for
11 payment of a prescription or for pharmacy services that is different than the amount the

12 pharmacy benefit manager paid to the pharmacist or pharmacy who filled the prescription or
13 provided the pharmacy services.

14 SECTION 3. A pharmacy benefit manager in Massachusetts shall not:

15 Conduct or participate in spread pricing without providing the notice required.

16 The notice required for a pharmacy benefit manager in Massachusetts to conduct or
17 participate in spread pricing is as stated: The notice issued by a pharmacy benefit manager, or a
18 health insurance issuer where the health insurance issuer has agreed to issue the notice, that
19 utilizes spread pricing shall be: (1) Required for each health insurance issuer or plan provider in
20 which the pharmacy benefit manager engaged or participated in spread pricing. (2) Delivered to
21 the policy holder. (3) Provided at least biannually. (4) Indicative of the aggregate amount of
22 spread pricing charged by the pharmacy benefit manager during the period. (5) Written in plain,
23 simple, and understandable English.

24 SECTION 4. Whoever violates any provision of this sections shall be punished for a first
25 offence by a fine of not more than \$10,000, and for a subsequent offence by a fine of not more
26 than \$100,000.

27 SECTION 5. This act shall take effect upon its passage.