SENATE DOCKET, NO. 833 FILED ON: 2/9/2021

SENATE . . . . . No. 639

The Commonwealth of Massachusetts

PRESENTED BY:

Cynthia Stone Creem

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 relative to pharmacy benefit managers.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Cynthia Stone Creem	*First Middlesex and Norfolk*

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SENATE . . . . . No. 639

By Ms. Creem, a petition (accompanied by bill, Senate, No. 639) of Cynthia Stone Creem for legislation relative to pharmacy benefit managers. Financial Services.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court
(2021-2022)

An Act relative to pharmacy benefit managers.

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

SECTION 1. Section 1 of chapter 6D of the General Laws, as appearing in the 2018 Official Edition, is hereby amended by inserting after the definition "performance penalty" the following new definition:-

"Pharmacy benefit manager", a person, business or other entity, however organized, that directly or through a subsidiary provides pharmacy benefit management services for prescription drugs and devices on behalf of a health benefit plan sponsor, including, but not limited to, a self-insurance plan, labor union or other third-party payer; provided, however, that pharmacy benefit management services shall include, but not be limited to, the processing and payment of claims for prescription drugs, the performance of drug utilization review, the processing of drug prior authorization requests, pharmacy contracting, the adjudication of appeals or grievances related to prescription drug coverage contracts, formulary administration, drug benefit design, mail and specialty drug pharmacy services, cost containment, clinical, safety and adherence programs for pharmacy services and managing the cost of covered prescription drugs; provided further, that

"pharmacy benefit manager" shall include a health benefit plan that does not contract with a pharmacy benefit manager and manages its own prescription drug benefits unless specifically exempted by the commission.

SECTION 2. Chapter 6D of the General Laws, as appearing in the 2018 Official Edition, is hereby amended by inserting the following new section:-

Section 20: A health benefit plan or pharmacy benefit manager shall not penalize, require, or provide financial incentives, including variations in premiums, deductibles, copayments, or coinsurance, to insureds as incentives to use specific retail, mail order pharmacy, or other network pharmacy provider in which a pharmacy benefit manager has an ownership interest or that has an ownership interest in a pharmacy benefit manager.