

**JOINT COMMITTEE ON FINANCIAL SERVICES
2025-2026 (194th) BILL SUMMARY**

Bill No: H1324

Title: AN ACT RELATIVE TO PRESCRIPTION DRUG PRICING

Sponsor: Rep. Alan Silvia (*Fall River*)

Hearing Date: June 10, 2025

Reporting Deadline: August 9, 2025

Prior History:

2023-24 (H1148): Reported favorably; Referred to Health Care Financing; Ordered to a House Study; House Rules

Similar Matters: H1325 (Silvia); H1330 (Sullivan-Almeida)

CURRENT LAW:

M.G.L. c. 175 Insurance § 226 Pharmacy audits; standards for the conduct of audits of records; appeals

Chapter 342 of the Acts of 2024, An Act relative to pharmaceutical access, costs and transparency (PACT Act) § 37

Empowers the division of insurance (DOI) to license and oversee pharmacy benefit managers (PBMs). Requires each PBM to be reviewed by DOI at least once every three years. Allows DOI to establish rules for licensure; and to revoke, suspend or make provisional licenses based on the findings of its investigation. Includes PBMs in the health policy commission's (HPC's) annual Cost Trends Hearings.

SUMMARY:

This bill adds a new section to *M.G.L. c. 175 Insurance § 226 Pharmacy audits; standards for the conduct of audits of records; appeals*.

The insurance commissioner will license pharmacy benefit managers (PBMs) who wish to operate within the Commonwealth.

Upon request, PBMs, will provide information regarding the difference in the amount paid to a provider for prescription services and the amount billed to the covered entity or plan sponsor to pay for such services (commonly referred to as spread pricing).

Contracts between PBMs and providers, including a pharmacy service administrative organization, will include the sources used to determine the maximum allowable cost (MAC) list; update such list every 7 days at least; and make such list accessible to providers. Drugs included on MAC lists must be listed as "A" or "B" rated and generally available for purchase by pharmacies. A PBM will not place a drug on a MAC list, unless there are at least 2

therapeutically equivalent, multiple-source drugs, generally available. Dispensing fees will not be included in the MAC price calculation.

A provider, a provider's representative, and a pharmacy service administrative organization may contest reimbursement amounts within 14 business days of the final adjusted payment date, with 10 business days to respond to an appeal.

If a price update is warranted, the PBM will adjust the reimbursement amount, allow the pharmacy to reverse and rebill, and make the change retroactive and effective for all contracted providers. If a below-cost reimbursement appeal is denied the case of denial, the PBM will provide the reason. If the PBM cannot locate a less expensive alternative, the PBM will adjust the reimbursement, allow the pharmacy to reverse and rebill, and make the reimbursement amount retroactive and effective for all contracted providers.

PBMs will not require any additional accreditation or licensing of providers, or any entity licensed or regulated by the board of registration in pharmacy as a condition for participation as a network provider.

A pharmacy or pharmacist may decline to provide clinical or dispensing services to a patient or PBM in instances where the pharmacy or pharmacist would be paid less than the cost of services.

A PBM will provide a dedicated phone number, email address and names of persons with decision-making authority regarding MAC appeals and pricing.