

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

Bill No: H1082

Title: AN ACT TO ENACT THE PHARMACY BENEFIT MANAGER COMPENSATION REFORM

Sponsor: Rep. Bruce J. Ayers (*Quincy*)

Hearing Date: June 10, 2025

Reporting Deadline: August 9, 2025

Prior History:

2023-24 (H934): Reported favorably; Referred to Health Care Financing; Ordered to a House Study

Similar Matters: H1167 (Garballey); H1234 (Lawn); H1330 (Sullivan-Almeida); H1334 (Tyler)

CURRENT LAW:

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 creates a new chapter in the general laws, *c. 175N Pharmacy Benefit Manager Compensation Reform Act of 2022*

Compensation and Prohibition on Spread Pricing

Pharmacy Benefit Managers (PBMs) operating in the Commonwealth may derive income only from a pharmacy benefit management fee; spread pricing is prohibited. The pharmacy benefit management fee charged by or paid to a PBM from a carrier or health benefit plan will not be directly or indirectly based or contingent upon:

- (1) the acquisition cost or any other price metric of a drug
- (2) the amount of savings, rebates, or other fees charged, realized, or collected by or generated based on the activity of the PBM or
- (3) the amount of premiums, deductibles, or other cost sharing or fees charged, realized, or collected by the PBM from patients or other persons on behalf of a patient

A PBM contract with a carrier or health benefit plan must:

- (1) Specify all forms of revenue, including pharmacy benefit management fees, to be paid by the carrier or health benefit plan to the PBM; and
 - (2) Acknowledge that spread pricing is not permitted.
- Annually, PBMs will certify compliance with this section to the commissioner.

Audits of Pharmacy Benefit Managers

The commissioner and any carrier or health benefit plan contracted with a PBM may audit the PBM annually. Within 30 days of receipt, the PBM will submit a certified confidential response.

As part of an audit, the commissioner, carrier, or health benefit plan may request information including but not limited to:

- (1) All reimbursement paid to retail pharmacies, on a claim level, for all customers of the PBM in the state, including drug-specific reimbursement, dispensing fees, all rebates, other fees, ancillary charges, clawbacks, or adjustments to reimbursement
- (2) Any difference in reimbursement paid to affiliated pharmacies and unaffiliated pharmacies, including differences in reimbursed ingredient costs and dispensing fees
- (3) Historical claims data including ingredient cost, quantity, dispensing fee, sales tax, usual & customary price, channel (mail/retail), carrier or health benefit plan paid amount, days' supply, the amount paid by the covered individual, formulary tier, acquisition cost, and any administrative fee associated with the claim, as applicable
- (4) Aggregate rebate amounts received directly or indirectly from manufacturers (including from any other entity affiliated with or related to the pharmacy benefit manager that negotiates or contracts with manufacturers, such as group purchasing organizations and rebate aggregators) by calendar quarter.

Savings Clause

In implementing the requirements of this Act, the state will regulate a PBM, carrier, or health benefit plan to the extent permissible under law. If any section, provision, or portion of this Act, is for any reason held to be illegal or invalid, this holding will not affect any other portion, provision, or section of this Act.

Penalties

If the commissioner determines that a PBM is in violation of this chapter, the commissioner will issue a monetary penalty, suspend or revoke the PBM's license or take other action. The commissioner will establish a corresponding appeals process.

Rules

The commissioner will adopt written policies, procedures, or regulations necessary to implement this section.