

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

Bill No: H1325

Title: AN ACT TO ENSURE ACCESS TO GENERIC MEDICATION

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

Hearing Date: June 10, 2025

Reporting Deadline: August 9, 2025

Prior History:

2023-24 (H1150): Ordered to a House Study

2021-22 (H1202): Reported favorably; Referred to Health Care Financing; Ordered to a House Study

2021-22 (H1155): Reported favorably; Referred to Health Care Financing; Ordered to a House Study

2019-20 (H1104): Reporting deadline extended; No further action taken

2019-20 (H1055): Reporting deadline extended; No further action taken

2017-18 (H2185): Ordered to a House Study

2017-18 (H537): Ordered to a House Study

2015-16 (H870): Ordered to a House Study

Similar Matters: H1203 (Jones); H1326 (Silvia)

CURRENT LAW:

M.G.L. c. 94C Controlled Substances Act § 21C Pharmacy prescription drug charges at point of sale must not exceed retail price

At the point of sale, a pharmacy will charge for a prescription drug the lesser of the applicable cost-sharing amount or the pharmacy retail price. A health benefit plan or carrier will be prohibited from requiring an insured to make a cost-sharing payment for a prescription drug greater than that charged at the point of sale.

M.G.L. c. 176D Unfair methods of competition and unfair and deceptive acts and practices in the business of insurance § 3B Requirements for carriers offering pharmacy networks; arrangements between carriers and non-network pharmacies; definitions

Chapter 342 of the Acts of 2024, An Act relative to pharmaceutical access, costs and transparency (PACT Act) § 27

Requires a pharmacy to charge an individual's appropriate patient cost-sharing amount (co-payment, deductible or coinsurance) or the pharmacy's retail price for a prescription drug, whichever is lower. Requires a carrier not to impose a cost-sharing amount (co-payment, deductible or coinsurance) for a covered prescription drug that exceeds the drug's retail price.

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 amends *c. 176D* of the General Laws. It adds a definition for the term "maximum allowable cost list" (MAC) - a list of drugs, medical products or devices, or both medical products and devices, for which a maximum allowable cost has been established by a pharmacy benefits manager (PBM) or covered entity. MAC means the maximum amount that a PBM or covered entity will reimburse a pharmacy for the cost of a drug or a medical product or device.

Pricing Methodology & Disclosure:

This bill specifies criteria for Pharmacy Benefit Manager's (PBM's) inclusion of drugs on MAC lists. PBMs must justify the price set and identify the resource used to determine a drug, product, or device's cost.

MAC & Change Notification:

PBMs must make available to contracting pharmacies every MAC for individual drugs used by the PBM for patients served by that pharmacy.

Upon a contracting pharmacy's request, PBMs must make available every MAC list that they use for patients served by that pharmacy.

PBMs must update the MAC list every 3 business days.

PBMs have 2 business days to use the updated MACs to calculate payments due to pharmacies.

PBMs have 3 days to remove drugs that no longer meet list requirements.

Appeals Process:

This bill establishes a transparent appeal process that will allow pharmacies to file for adjustments.

PBMs will spell out an adjudication process on their website for instances where a pharmacy disputes the PBM's MAC price.

Pharmacies will have 7 days to file an appeal.

PBMs will have 7 days to make a final determination on the appeal.

PBMs will have 3 business days to adjust the MAC if an appeal is determined to be valid.

Oversight:

This bill empowers the division of insurance to regulate the MAC process and establish a transparent methodology for pharmacies to provide services at compensation based on published prices for drugs available to participating pharmacies.

Gag Clause:

Pharmacists or pharmacies will not be prohibited, restricted, or penalized in any way from disclosing to any covered person any healthcare information that the pharmacy or pharmacist considers appropriate with respect to treatment risks and benefits or the process that is used to authorize or deny healthcare services or benefits, or information on financial incentives and structures used by the insurer.

Pharmacists or pharmacies will not be prevented from providing an insured information on the amount of the insured's cost share for a prescription drug and the clinical efficacy of a more affordable alternative drug if one is available. PBMs will not penalize a pharmacy or pharmacist for disclosing such information to an insured.