

**JOINT COMMITTEE ON FINANCIAL SERVICES  
2025-2026 (194<sup>th</sup>) BILL SUMMARY**

**Bill No:** H1330

**Title:** AN ACT RELATIVE TO PHARMACY BENEFIT MANAGERS REIMBURSEMENTS TO PHARMACIES IN THE COMMONWEALTH

**Sponsor:** Rep. Alyson M. Sullivan-Almeida (*Abington*)

**Hearing Date:** June 10, 2025

**Reporting Deadline:** August 9, 2025

**Prior History:**

2023-24 (H1247): Referred to Health Care Financing; Accompanied a new draft S2492; Reported favorably; New draft of S732, S749, S778, S783, S784, S797, H619, H1176, H1201, H1205, H1206, H1215, H1246 and H1247; Referred to SWM; SWM recommended out to pass with an amendment substituting a new draft S2499; Order relative to subject matter adopted; Placed in Orders of the Day; Read second.

2021-22 (H3787): Referred to Health Care Financing; Public hearing on July 13, 2021; Accompanied S771; S771 Referred to Health Care Financing on March 29, 2021; Public Hearing on July 13, 2021; Accompanied by S736, S785, S786, S790, S803, S804 and H729, H1254, H1272, H1278, H1279, H1307 and H3787; Health Care Financing reported Ought to Pass; Referred to SWM on November 17, 2021; Senate passed to be engrossed. Reported Ought to Pass with an amendment substituting a new draft, S2651, and placed on the Orders of the Day on February 3, 2022; Read second, new draft S2695 substituted as amended, read third and reprinted as amended, see S2695, and passed to be engrossed on February 10, 2022; Referred to HWM; No further action taken.

**Similar Matters:** H1082 (Ayers); H1167 (Garballey); H1234 (Lawn); H1334 (Tyler); H1324 (Silvia); H1325 (Silvia); H1326 (Silvia); H1157 (Fiola); S830 (Tarr); S831 (Tarr)

**CURRENT LAW:**

*M.G.L. c. 93A Regulation of business practices for consumers protection § 2 Unfair practices; legislative intent; rules and regulations*

*M.G.L. c. 176D Unfair methods of competition and unfair and deceptive acts and practices in the business of insurance*

*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 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:**

The proposed legislation would insert a new section, 3C into *Chapter 176D*, which would require pharmacy benefit managers to:

- (i) provide access to its maximum allowable cost list to each pharmacy subject to the list
- (ii) update its maximum allowable cost list no later than 7 calendar days after an increase of 10 per cent or more in the pharmacy acquisition cost from 60 per cent or more of the pharmaceutical wholesalers doing business in the commonwealth or a change in the methodology upon which the list is based or in the value of a variable involved in the methodology
- (iii) provide a process for each pharmacy subject to the maximum allowable cost list to receive prompt notification of list update
- (iv) provide a reasonable administrative appeal procedure to allow pharmacies to challenge maximum allowable costs and reimbursements made under a maximum allowable cost for a specific drug or drugs as not meeting the requirements of this section or being below the pharmacy acquisition cost

Before a pharmacy benefits manager places or continues to administer a particular drug on a maximum allowable cost list, the drug will be listed as therapeutically equivalent and pharmaceutically equivalent "A" or "B" rated by the United States Food and Drug Administration or a similar rating by a nationally recognized reference; and be available for purchase by each pharmacy in the commonwealth from national or regional wholesalers operating in the commonwealth; and not be obsolete.

Pharmacies will be able to submit an administrative appeal directly to the pharmacy benefits manager regarding the pharmacy benefits plan or program or through a pharmacy service administrative organization. Pharmacies will have at least 7 business days to file an appeal.

If the appeal is upheld, the pharmacy benefits manager will, within 7 business days:

- (i) make the change in the maximum allowable cost
- (ii) permit the challenging pharmacy or pharmacist to reverse and rebill the claim in question
- (iii) provide the National Drug Code for the drug that the increase or change is based upon to the pharmacy or pharmacist and
- (iv) make the change in the maximum allowable cost effective for each similarly situated pharmacy as defined by the payor subject to the maximum allowable cost list

If the appeal is denied, the pharmacy benefits manager will, within 7 business days, provide the challenging pharmacy or pharmacist the National Drug Code for the drug and the name of the national or regional pharmaceutical wholesalers operating in the commonwealth that have the drug currently in stock at a price below the maximum allowable cost on the list.

If the drug for which the National Drug Code provided by the pharmacy benefits manager is not available at a price below the pharmacy acquisition cost from the pharmaceutical wholesaler

from which the pharmacy or pharmacist purchases the majority of prescription drugs for resale, then the pharmacy benefits manager shall adjust the price on the maximum allowable cost list to exceed the challenging pharmacy's pharmacy acquisition cost and permit the pharmacy to reverse and rebill each claim affected by the inability to procure the drug at a cost that is equal to or less than the previously challenged maximum allowable cost.

A pharmacy benefits manager will not reimburse a pharmacy or pharmacist in an amount less than the amount that the pharmacy benefits manager reimburses a pharmacy benefits manager affiliate for providing the same pharmacist services.

This section applies to any pharmacy benefit manager employed by or under contract with MassHealth or the group insurance commission if either engages the services of a pharmacy benefits manager to maintain a maximum allowable cost list.

A violation of this section will be a deceptive and unfair trade practice under *Chapter 93A*.