

FLOOR AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend SB1860 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: Garry Mize

Reading Clerk

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 FLOOR SUBSTITUTE
4 FOR ENGROSSED

5 SENATE BILL NO. 1860

6 By: McCortney, Taylor, Bullard,
7 Burns, Garvin, Stanley,
8 Pemberton, Standridge,
9 Stephens, Rader, Coleman,
10 Pederson, Simpson, Kidd,
11 Murdock, Jech, Leewright,
12 and Rogers of the Senate

13 and

14 McEntire, Olsen, Hasenbeck,
15 Pae, and Grego of the House

16 FLOOR SUBSTITUTE

17 An Act relating to the Patient's Right to Pharmacy
18 Choice Act; amending 36 O.S. 2021, Sections 6960,
19 6961, 6962, and 6963, which relate to definitions,
20 retail pharmacy network access standards, compliance
21 review, and health insurer monitoring; defining
22 terms; modifying definition; expanding retail
23 pharmacy network access standards; prohibiting
24 pharmacy benefits managers from requiring patient use
affiliated pharmacy; providing for expansion of
pharmacy network participation; prohibiting provider
contracts from limiting the ability of a pharmacy to
disclose certain health care and cost information;
providing health insurers performing pharmacy
benefits management activities be responsible for
certain conduct; modifying patient choices of in-
network pharmacy; providing that pharmacy benefits
managers not require or incentivize individuals
through certain means; construing provision;
repealing 36 O.S. 2021, Section 6964, which relates
to pharmacy and therapeutics committees; updating
statutory reference; and providing an effective date.

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BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 36 O.S. 2021, Section 6960, is amended to read as follows:

Section 6960. For purposes of the Patient's Right to Pharmacy Choice Act:

1. "Health insurer" means any corporation, association, benefit society, exchange, partnership or individual licensed by the Oklahoma Insurance Code;

2. "Mail-order pharmacy" means a pharmacy licensed by this state that primarily dispenses and delivers covered drugs via common carrier;

3. "Pharmacy benefits management" means any or all of the following activities:

a. provider contract negotiation and/or provider network administration including decisions related to provider network participation status,

b. drug rebate contract negotiation or drug rebate administration, and

c. claims processing which may include claim billing and payment services;

4. "Pharmacy benefits manager" or "PBM" means a person or entity that performs pharmacy benefits management activities and any

1 other person or entity acting for ~~such a person under a contractual~~
2 ~~or employment relationship in the performance of pharmacy benefits~~
3 ~~management for a managed care company, nonprofit hospital, medical~~
4 ~~service organization, insurance company, third party payor or a~~
5 ~~health program administered by a department of this state~~ or entity
6 performing pharmacy benefits management activities. Notwithstanding
7 any other provision within the Patient's Right to Pharmacy Choice
8 Act, a self-funded plan administered by an employer or organized
9 labor union who negotiates and executes all provider contracts
10 directly with a pharmacy or the pharmacy's contracted pharmacy
11 services administrative organization, and a pharmacy provider who
12 does not use a pharmacy services administrative organization shall
13 not be deemed a pharmacy benefits manager of its own group health
14 plan and shall not be restricted in its ability to design and manage
15 its own group health plan;

16 4. ~~"Pharmacy and therapeutics committee" or "P&T committee"~~
17 ~~means a committee at a hospital or a health insurance plan that~~
18 ~~decides which drugs will appear on that entity's drug formulary;~~

19 5. "Pharmacy service administrative organization" means a
20 collective group that contracts with pharmacies to negotiate
21 pharmacy network contracts and perform core back-office operations
22 for pharmacy that contract with the organization;

23 6. "Retail pharmacy" or "provider" means a pharmacy, as defined
24 in Section 353.1 of Title 59 of the Oklahoma Statutes, licensed by

1 the State Board of Pharmacy or an agent or representative of a
2 pharmacy;

3 ~~5.~~ 7. "Retail pharmacy network" means retail pharmacy providers
4 contracted with a PBM in which the pharmacy primarily fills and
5 sells prescriptions via a retail, storefront location;

6 ~~6.~~ 8. "Rural service area" means a five-digit ZIP code in which
7 the population density is less than one thousand (1,000) individuals
8 per square mile;

9 9. "Specialty drug" means prescription medication that requires
10 special handling, administration, or monitoring and is used for the
11 treatment of patients with serious health conditions requiring
12 complex therapies. Specialty drugs shall also include drugs that
13 are limited in distribution by the manufacturer and may be purchased
14 only at specialty pharmacies;

15 ~~7.~~ 10. "Suburban service area" means a five-digit ZIP code in
16 which the population density is between one thousand (1,000) and
17 three thousand (3,000) individuals per square mile; and

18 ~~8.~~ 11. "Urban service area" means a five-digit ZIP code in
19 which the population density is greater than three thousand (3,000)
20 individuals per square mile.

21 SECTION 2. AMENDATORY 36 O.S. 2021, Section 6961, is
22 amended to read as follows:

23 Section 6961. A. Pharmacy benefits managers (PBMs) shall
24 comply with the following retail pharmacy network access standards:

1 1. At least ninety percent (90%) of covered individuals
2 residing in ~~an~~ each urban service area live within two (2) miles of
3 a retail pharmacy participating in the PBM's retail pharmacy
4 network;

5 2. At least ninety percent (90%) of covered individuals
6 residing in ~~an~~ each urban service area live within five (5) miles of
7 a retail pharmacy designated as a preferred participating pharmacy
8 in the PBM's retail pharmacy network;

9 3. At least ninety percent (90%) of covered individuals
10 residing in ~~a~~ each suburban service area live within five (5) miles
11 of a retail pharmacy participating in the PBM's retail pharmacy
12 network;

13 4. At least ninety percent (90%) of covered individuals
14 residing in ~~a~~ each suburban service area live within seven (7) miles
15 of a retail pharmacy designated as a preferred participating
16 pharmacy in the PBM's retail pharmacy network;

17 5. At least seventy percent (70%) of covered individuals
18 residing in ~~a~~ each rural service area live within fifteen (15) miles
19 of a retail pharmacy participating in the PBM's retail pharmacy
20 network; and

21 6. At least seventy percent (70%) of covered individuals
22 residing in ~~a~~ each rural service area live within eighteen (18)
23 miles of a retail pharmacy designated as a preferred participating
24 pharmacy in the PBM's retail pharmacy network.

1 B. Mail-order pharmacies shall not be used to meet access
2 standards for retail pharmacy networks.

3 C. Pharmacy benefits managers shall not require patients to use
4 pharmacies that are directly or indirectly owned by ~~the~~ or
5 affiliated with a pharmacy benefits manager, including all regular
6 prescriptions, refills or specialty drugs regardless of day supply.

7 D. Pharmacy benefits managers shall not in any manner on any
8 material, including but not limited to mail and ID cards, include
9 the name of any pharmacy, hospital or other providers unless it
10 specifically lists all pharmacies, hospitals and providers
11 participating in the preferred and nonpreferred pharmacy and health
12 networks.

13 SECTION 3. AMENDATORY 36 O.S. 2021, Section 6962, is
14 amended to read as follows:

15 Section 6962. A. ~~The Oklahoma~~ Insurance Department shall
16 review and approve retail pharmacy network access for all pharmacy
17 benefits managers (PBMs) to ensure compliance with Section ~~4 of this~~
18 ~~act~~ 6961 of this title.

19 B. A PBM, or an agent of a PBM, shall not:

20 1. Cause or knowingly permit the use of advertisement,
21 promotion, solicitation, representation, proposal or offer that is
22 untrue, deceptive or misleading;

23 2. Charge a pharmacist or pharmacy a fee related to the
24 adjudication of a claim, including without limitation a fee for:

- a. the submission of a claim,
- b. enrollment or participation in a retail pharmacy network, or
- c. the development or management of claims processing services or claims payment services related to participation in a retail pharmacy network;

3. Reimburse a pharmacy or pharmacist in the state an amount less than the amount that the PBM reimburses a pharmacy owned by or under common ownership with a PBM for providing the same covered services. The reimbursement amount paid to the pharmacy shall be equal to the reimbursement amount calculated on a per-unit basis using the same generic product identifier or generic code number paid to the PBM-owned or PBM-affiliated pharmacy;

4. Deny a pharmacy the opportunity to participate in any form of pharmacy network at preferred participation status, whether in network, preferred, or otherwise, if the pharmacy is willing to accept the terms and conditions that the PBM has established for other pharmacies as a condition of preferred network for participation status in the network or networks of the pharmacy's choice;

5. Deny, limit or terminate a pharmacy's contract based on employment status of any employee who has an active license to dispense, despite probation status, with the State Board of Pharmacy;

1 6. Retroactively deny or reduce reimbursement for a covered
2 service claim after returning a paid claim response as part of the
3 adjudication of the claim, unless:

- 4 a. the original claim was submitted fraudulently, or
- 5 b. to correct errors identified in an audit, so long as
6 the audit was conducted in compliance with Sections
7 356.2 and 356.3 of Title 59 of the Oklahoma Statutes;
8 or

9 7. Fail to make any payment due to a pharmacy or pharmacist for
10 covered services properly rendered in the event a PBM terminates a
11 pharmacy or pharmacist from a pharmacy benefits manager network.

12 C. The prohibitions under this section shall apply to contracts
13 between pharmacy benefits managers and ~~pharmacists or pharmacies~~
14 providers for participation in retail pharmacy networks.

15 1. A ~~PBM~~ provider contract shall not prohibit, restrict, or
16 penalize a pharmacy or pharmacist in any way for disclosing to an
17 individual any health care information that the pharmacy or
18 pharmacist deems appropriate regarding:

- 19 a. ~~not restrict, directly or indirectly, any pharmacy~~
20 ~~that dispenses a prescription drug from informing, or~~
21 ~~penalize such pharmacy for informing, an individual of~~
22 ~~any differential between the individual's out-of-~~
23 ~~pocket cost or coverage with respect to acquisition of~~
24 ~~the drug and the amount an individual would pay to~~

1 ~~purchase the drug directly~~ the nature of treatment,
2 risks, or alternatives to the prescription drug being
3 dispensed, and

4 b. ~~ensure that any entity that provides pharmacy benefits~~
5 ~~management services under a contract with any such~~
6 ~~health plan or health insurance coverage does not,~~
7 ~~with respect to such plan or coverage, restrict,~~
8 ~~directly or indirectly, a pharmacy that dispenses a~~
9 ~~prescription drug from informing, or penalize such~~
10 ~~pharmacy for informing, a covered individual of any~~
11 ~~differential between the individual's out-of-pocket~~
12 ~~cost under the plan or coverage with respect to~~
13 ~~acquisition of the drug and the amount an individual~~
14 ~~would pay for acquisition of the drug without using~~
15 ~~any health plan or health insurance coverage~~ the
16 availability of alternate therapies, consultations, or
17 tests,

18 c. the decision of utilization reviewers or similar
19 persons to authorize or deny services, and

20 d. the process that is used to authorize or deny health
21 care services and structures used by the health
22 insurer.

23 2. Provider contracts shall not prohibit a pharmacy or
24 pharmacist from discussing information regarding the total cost of

1 pharmacist services for a prescription drug or from selling a more
2 affordable alternative to the covered person if such alternative is
3 available.

4 ~~A pharmacy benefits manager's contract with a participating~~
5 ~~pharmacist or pharmacy~~

6 3. Provider contracts shall not prohibit, restrict or limit
7 disclosure of information to the Insurance Commissioner, law
8 enforcement or state and federal governmental officials
9 investigating or examining a complaint or conducting a review of a
10 pharmacy benefits manager's compliance with the requirements under
11 the Patient's Right to Pharmacy Choice Act.

12 ~~3.~~ 4. A pharmacy benefits manager shall establish and maintain
13 an electronic claim inquiry processing system using the National
14 Council for Prescription Drug Programs' current standards to
15 communicate information to pharmacies submitting claim inquiries.

16 SECTION 4. AMENDATORY 36 O.S. 2021, Section 6963, is
17 amended to read as follows:

18 Section 6963. A. A health insurer shall be responsible for
19 monitoring all activities carried out by, or on behalf of, the
20 health insurer under the Patient's Right to Pharmacy Choice Act, and
21 for ensuring that all requirements of ~~this act~~ Section 6958 et seq.
22 of this title are met.

23 B. Whenever a health insurer performs pharmacy benefits
24 management on its own behalf or contracts with another person or

1 entity to perform ~~activities required under this act~~ pharmacy
2 benefits management, the health insurer shall be responsible for
3 monitoring the activities and conduct of that person or entity with
4 whom the health insurer contracts and for ensuring that the
5 requirements of ~~this act~~ Section 6958 et seq. of this title are met.

6 C. An individual may be notified at the point of sale when the
7 cash price for the purchase of a prescription drug is less than the
8 individual's copayment or coinsurance price for the purchase of the
9 same prescription drug.

10 D. A health insurer or pharmacy benefits manager (PBM) shall
11 not restrict an individual's choice of in-network provider for
12 prescription drugs.

13 E. ~~An individual's~~ 1. A patient's choice of in-network
14 provider may include ~~a retail~~ an in-network pharmacy ~~or a,~~ whether
15 that pharmacy is in a preferred or nonpreferred network, a retailer
16 pharmacy, mail-order pharmacy, or any other pharmacy. A health
17 insurer or PBM shall not restrict ~~such~~ a patient's choice of in-
18 network pharmacy providers. ~~Such~~ A health insurer or PBM shall not
19 require or incentivize ~~using~~ individuals by:

20 a. using any ~~discounts in cost sharing or a~~ reduction in
21 copay, ~~or~~ the number of copays, or any other patient-
22 copay equivalent to individuals to receive
23 prescription drugs from an individual's choice of in-
24 network pharmacy, or

1 b. using financial incentives to differentiate between
2 in-network pharmacies, whether that pharmacy is in a
3 preferred or nonpreferred network, a retail pharmacy,
4 mail-order pharmacy, or any other type of pharmacy.

5 2. Nothing in this subsection shall be construed to prohibit a
6 person or entity participating in pharmacy benefits management
7 activities from directing a patient to use a specific pharmacy for
8 the purchase of a specialty drug as defined in paragraph 9 of
9 Section 6960 of this title in the event the patient's chosen in-
10 network pharmacy is unable to purchase and dispense the specialty
11 drug.

12 F. A health insurer, pharmacy or PBM shall adhere to all
13 Oklahoma laws, statutes and rules when mailing, shipping and/or
14 causing to be mailed or shipped prescription drugs into ~~the State of~~
15 ~~Oklahoma~~ this state.

16 SECTION 5. REPEALER 36 O.S. 2021, Section 6964, is
17 hereby repealed.

18 SECTION 6. This act shall become effective November 1, 2022.

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20 58-2-11364 KN 04/13/22
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