**5213-S2 AMS KUDE S2146.1 - NOT FOR FLOOR USE**

**2SSB 5213** - S AMD **178**

By Senator Kuderer

**NOT CONSIDERED 05/17/2023**

On page 6, line 33, after "Managed" strike "health care systems as defined in RCW 74.09.522" and insert "care organizations under chapter 74.09 RCW"

On page 6, after line 40, insert the following:

"(vii) A Taft-Hartley Trust benefit plan;"

Reletter the remaining subsections consecutively and correct any internal references accordingly.

On page 7, beginning on line 20, after "managed" strike "health care system under RCW 74.09.522" and insert "care organization under chapter 74.09 RCW"

On page 9, line 9, after "a" strike "third-party payor" and insert "health carrier"

Beginning on page 10, line 37, after "not:" strike all material through "content." on page 11, line 31 and insert the following:

"(a) Reimburse a network pharmacy an amount less than the contract price between the pharmacy benefit manager and the third-party payor the pharmacy benefit manager has contracted with to provide a pharmacy benefits plan or program;

(b) Exclude a pharmacy from their pharmacy network based solely on the pharmacy being new, open less than a defined amount of time, or a license or location transfer; or

(c) Use information obtained through claim adjudication to solicit, coerce, or incentivize a patient to use their owned or affiliated pharmacies.

(2) A pharmacy benefit manager shall permit the covered person to receive delivery or mail order of a medication through any network pharmacy."

On page 12, after line 2, insert the following:

"NEW SECTION. **Sec.**  (1) For a pharmacy benefit plan administered by a pharmacy benefit manager under a contract with a health carrier as defined in RCW 48.43.005 or the public and school employee benefit programs offered under chapter 41.05 RCW, a pharmacy benefit manager may not:

(a) Require a covered person to obtain prescriptions from a mail order pharmacy unless the prescription drug is a specialty drug; or

(b) Require a covered person to pay more for their medications than the pharmacy benefit manager pays the pharmacy for the medication and the dispensing fee.

(2) For a pharmacy benefit plan administered by a pharmacy benefit manager under a contract with a health carrier as defined in RCW 48.43.005 or the public and school employee benefit programs offered under chapter 41.05 RCW, a pharmacy benefit manager must:

(a) Regardless of the participating pharmacy, including mail order pharmacies, where the covered person obtains the prescription drug, apply the same copays, fees, days allowance, and other conditions upon the covered person; and

(b) Except when use of a mail order pharmacy can be required for a specialty drug, receive affirmative authorization from a covered person before filling a prescription drug through a mail order pharmacy."

Renumber the remaining sections consecutively and correct any internal references accordingly.

On page 15, line 25, after "through" strike "6 and 8" and insert "7 and 9"

EFFECT: Restricts the prohibitions on requiring the use of mail order pharmacy, except for specialty drugs, and requiring a covered person to pay more for drug than a PBM reimburses the pharmacy for that drug to PBM contracts with fully insured and PEBB/SEBB plans only.

Restricts the requirements to apply the same copays and fees regardless of which pharmacy a covered person uses, and to receive authorization before filling a prescription through a mail order pharmacy to PBM contracts with fully insured and PEBB/SEBB plans only.

Removes the provision prohibiting a PBM from denying or reducing payment to a provider for a provider-administered drug on the basis that the provider obtained the drug from a wholesaler or pharmacy.

Changes terminology for managed care organizations in the definition of third-party payor.

Excludes Taft-Hartley plans from the definition of PBM.

Changes the requirement for PBMs to file contracts in support of a pharmacy benefits plan with a "third-party payor" to requiring filing contracts in support of a pharmacy benefit plan with a "health carrier."