

PHARMACY BENEFIT MANAGER LICENSURE AND REGULATION ACT (EXCERPT)
Act 11 of 2022

550.827 Pharmacy benefit manager network; report; waiver; prohibition on spread pricing and fees for electronic processing.

Sec. 17.

(1) A pharmacy benefit manager shall provide a reasonably adequate and accessible retail pharmacy benefit manager network for the provision of drugs for a health plan that must provide for convenient enrollee access to pharmacies within a reasonable distance from an enrollee's residence, as determined by the director. For purposes of this subsection, retail pharmacy benefit manager network does not include a mail-order pharmacy or specialty pharmacy.

(2) A pharmacy benefit manager shall submit to the director a retail pharmacy benefit manager network adequacy report that describes the retail pharmacy benefit manager network and the retail pharmacy benefit manager network's accessibility in this state. The report must categorize the network by urban, suburban, and rural geography and must include the applicable zip codes.

(3) A pharmacy benefit manager may apply for a waiver from the director if the pharmacy benefit manager is unable to meet the network adequacy requirements under subsection (1).

(4) To apply for a waiver under subsection (3), a pharmacy benefit manager must submit to the director an application in a form and manner prescribed by the director that does both of the following:

(a) Demonstrates with specific data why the pharmacy benefit manager is not able to meet the network adequacy requirements under subsection (1).

(b) Includes information as to the steps that the pharmacy benefit manager has taken and will take to address network adequacy.

(5) If the director grants a waiver under subsection (3), the waiver expires after 2 years. If a pharmacy benefit manager seeks a renewal of the waiver, the director must consider the steps that the pharmacy benefit manager has taken over the 2-year period covered by the waiver to address network adequacy.

(6) A pharmacy benefit manager shall not conduct spread pricing in this state. However, if a contract between a plan sponsor and a health plan is in effect on the effective date of this act and the contract conflicts with this subsection, for that contract, this subsection applies to the pharmacy benefit manager beginning on the date the contract is amended, extended, or renewed, or before January 1, 2028, whichever is earlier.

(7) A pharmacy benefit manager shall not charge a pharmacy or pharmacist a fee to process a claim electronically.

History: 2022, Act 11, Eff. Jan. 1, 2024