ASSEMBLY BILL NO. 141—ASSEMBLYMEN HARDY, ROBERTS; HAFEN AND LEAVITT

FEBRUARY 14, 2019

Referred to Committee on Commerce and Labor

SUMMARY—Prohibits a pharmacy benefit manager from imposing certain limitations on the conduct of a pharmacist or pharmacy. (BDR 57-947)

FISCAL NOTE: Effect on Local Government: No. Effect on the State: No.

EXPLANATION – Matter in *bolded italics* is new; matter between brackets formitted material is material to be omitted.

AN ACT relating to pharmacy benefit managers; prohibiting a pharmacy benefit manager from imposing certain limitations on the conduct of a pharmacist or pharmacy under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law forbids a pharmacy benefit manager, which is defined as an entity that contracts with or is employed by a third party and manages the pharmacy benefits plan provided by the third party, from prohibiting a pharmacist or pharmacy from providing information to a person covered by a pharmacy benefits plan concerning the amount of any copayment or coinsurance for a prescription drug or the clinical efficacy of a less expensive alternative drug. (NRS 683A.179) This bill additionally forbids a pharmacy benefit manager from prohibiting a pharmacist or pharmacy, other than an institutional pharmacy or a pharmacist working in an institutional pharmacy, from providing information to such a person concerning the availability of a less expensive drug.

Existing law prohibits a pharmacy benefit manager from penalizing a pharmacist or pharmacy for selling a less expensive alternative drug to a person covered by a pharmacy benefits plan. (NRS 683A.179) This bill also prohibits a pharmacy benefit manager from penalizing a pharmacist or pharmacy, other than an institutional pharmacy or a pharmacist working in an institutional pharmacy, for selling a less expensive generic drug to such a person.



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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 683A.179 is hereby amended to read as follows:

683A.179 1. A pharmacy benefit manager shall not:

(a) Prohibit a pharmacist or pharmacy from providing information to a covered person concerning [the]:

- (1) The amount of any copayment or coinsurance for a prescription drug [or informing a covered person concerning the]; or
- (2) The availability of a less expensive alternative or generic drug including, without limitation, information concerning clinical efficacy of such a [less expensive alternative] drug;
- (b) Penalize a pharmacist or pharmacy for providing the information described in paragraph (a) or selling a less expensive alternative *or generic* drug to a covered person;
- (c) Prohibit a pharmacy from offering or providing delivery services directly to a covered person as an ancillary service of the pharmacy; or
- (d) If the pharmacy benefit manager manages a pharmacy benefits plan that provides coverage through a network plan, charge a copayment or coinsurance for a prescription drug in an amount that is greater than the total amount paid to a pharmacy that is in the network of providers under contract with the third party.
 - 2. The provisions of this section:
- (a) Must not be construed to authorize a pharmacist to dispense a drug that has not been prescribed by a practitioner, as defined in NRS 639.0125.
- (b) Do not apply to an institutional pharmacy, as defined in NRS 639.0085, or a pharmacist working in such a pharmacy as an employee or independent contractor.
- 3. As used in this section, "network plan" means a health benefit plan offered by a health carrier under which the financing and delivery of medical care is provided, in whole or in part, through a defined set of providers under contract with the carrier. The term does not include an arrangement for the financing of premiums.
- **Sec. 2.** 1. The provisions NRS 683A.179, as amended by section 1 of this act, apply to any contract entered into before, on or after July 1, 2019, with a pharmacy benefit manager to manage a pharmacy benefits plan for a third party.
 - 2. As used in this section:





- 1 (a) "Pharmacy benefit manager" has the meaning ascribed to it 2 in NRS 683A.174.
- 3 (b) "Pharmacy benefits plan" has the meaning ascribed to it in 4 NRS 683A.175.
- 5 (c) "Third party" has the meaning ascribed to it in 6 NRS 683A.176.
- Sec. 3. This act becomes effective on July 1, 2019.





