



State of Tennessee

PUBLIC CHAPTER NO. 896

HOUSE BILL NO. 1787

By Representatives Kane, Ragan

Substituted for: Senate Bill No. 2296

By Senators McNally, Ketron, Yager

AN ACT to amend Tennessee Code Annotated, Title 56 and Title 63, relative to pharmacy benefit managers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, Part 31, is amended by adding the following as a new section:

56-7-3106.

(a) This section shall be known and may be cited as the "Fair Disclosure of State Funded Payments for Pharmacists' Services Act".

(b) As used in this section:

(1) "Pharmacist" means a pharmacist as defined in § 63-10-204;

(2) "Pharmacist services" means products, goods, or services provided as a part of the practice of pharmacy as defined in § 63-10-204 to individuals who reside or are employed in this state;

(3) "Pharmacy" means the same as defined in § 63-10-204;

(4) "Pharmacy benefits manager" or "PBM" means an entity that administers or manages a pharmacy benefits plan or program; and

(5) "Pharmacy benefits plan or program" means any plan or program that is funded by state dollars to furnish, cover the cost of, or otherwise provide for pharmacist services to individuals who reside or are employed in this state.

(c) A PBM, when seeking payment or reimbursement for pharmacist services provided in connection with a pharmacy benefits plan or program or reporting expenditures for pharmacist services provided in connection with a pharmacy benefits plan or program, shall itemize by individual claim:

(1) The amount actually paid or to be paid to the pharmacy or pharmacist for the pharmacist services;

(2) The identity of the pharmacy or pharmacist actually paid or to be paid; and

(3) The prescription number or other identifier of the pharmacist services.

(d) A PBM shall pay the amounts it receives for pharmacist services provided in connection with a pharmacy benefits plan or program to the pharmacies or pharmacists that provided the pharmacist services.

(e) This section does not:

(1) Require a PBM to set specific fees, rates, or schedules for payment for pharmacist services;

(2) Prohibit a PBM from charging for any services in addition to pharmacist services; or

(3) Require a PBM to pay a pharmacy or pharmacist more on any claim than the amount disclosed under subdivision (c)(1).

(f) A violation of this section is an unfair trade practice under chapter 8, part 1 of this title.

(g) All documents containing individual claim and payment information specified in subsections (c) and (d) shall be confidential records and not subject to the requirements of title 10, chapter 7, relating to public inspection of records.

(h) A state agency administering a PBM contract may provide the information described in subsections (c) and (d) to a qualified independent auditor in accordance with § 4-3-1021; provided, the information is relevant to an audit authorized under § 4-3-1021, and the independent auditor has agreed to maintain the confidentiality of the information.

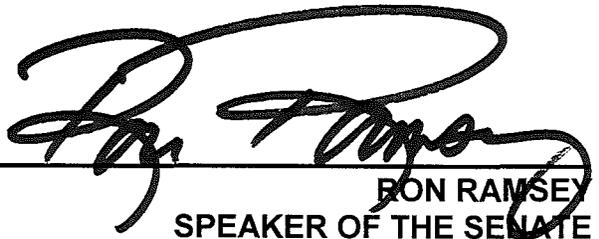
SECTION 2. This act shall take effect January 1, 2015, the public welfare requiring it.

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PASSED: April 15, 2014



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES



RON RAMSEY
SPEAKER OF THE SENATE

APPROVED this 9th day of May 2014



BILL HASLAM, GOVERNOR