

**First Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 21-0210.01 Nicole Myers x4326

HOUSE BILL 21-1237

HOUSE SPONSORSHIP

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Health & Insurance

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF A COMPETITIVE PHARMACY BENEFITS**
102 **MANAGER MARKETPLACE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The department of personnel (department) is required to contract for the services of a pharmacy benefit manager (PBM) for group benefit plans provided pursuant to the "State Employees Group Benefits Act" (state employee group benefits plans) and to procure a technology platform with the required capabilities for conducting a PBM reverse auction and the related services of a technology platform operator.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

The department is required to repurpose the technology platform used to conduct the reverse auction over the duration of the PBM services contract to perform reviews of all invoiced PBM prescription drug claims, and to identify all deviations from the specific terms of the PBM services contract. The department is required to reconcile the electronically adjudicated pharmacy claims with PBM invoices to ensure that state payments do not exceed the terms specified in any PBM services contract.

Each PBM reverse auction is required to be completed and the PBM services contract awarded to the winning PBM within a specified timeline.

The department may perform a market check for providing PBM services during the term of the current PBM services contract to ensure continuing competitiveness of incumbent prescription drug pricing over the life of a PBM services contract.

To ensure that the department does not incur additional expenditures associated with the requirements of the bill, the department is required to implement a no-pay option that obligates the winning PBM to pay the cost of the technology platform and related technology platform operator services by assessing a per-prescription fee and requiring the PBM to pay these fees to the technology operator over the duration of the PBM services contract.

The bill allows other health plans to use the processes and procedures established in the bill individually, collectively, or as a joint purchasing group with the state employee group benefits plans.

After completion of the first state employees group benefits plans PBM reverse auction, self-funded private sector employer or multi-employer health plans have the option to participate in a joint purchasing pool with state employees for conduct of subsequent PBM reverse auctions.

The state employees group benefits plans and any self-funded public or private sector health plans that opt to participate with the state employees group benefits plans in a joint PBM reverse auction purchasing pool shall retain full autonomy over determination of their respective prescription drug formularies and pharmacy benefit designs and shall not be required to adopt a common prescription drug formulary or common prescription pharmacy benefit design.

Any PBM providing services to the department or a self-funded public or private sector employee health plan is required to provide the department and the plan access to complete pharmacy claims data necessary to conduct the reverse auction and carry out their administrative and management duties.

1 *Be it enacted by the General Assembly of the State of Colorado:*

1 **SECTION 1.** In Colorado Revised Statutes, **add** part 12 to article
2 50 of title 24 as follows:

3 PART 12
4 COLORADO COMPETITIVE PHARMACY
5 BENEFIT MANAGERS MARKETPLACE

6 **24-50-1201. Short title.** THE SHORT TITLE OF THIS PART 12 IS THE
7 "COLORADO COMPETITIVE PHARMACY BENEFIT MANAGERS
8 MARKETPLACE ACT".

9 **24-50-1202. Legislative declaration - intent.** (1) THE GENERAL
10 ASSEMBLY HEREBY FINDS AND DECLARES THAT IT IS THE INTENT OF THIS
11 ACT TO OPTIMIZE PRESCRIPTION DRUG SAVINGS BY THE STATE BY
12 REQUIRING THE FOLLOWING:

13 (a) THE ADOPTION OF A DYNAMICALLY COMPETITIVE REVERSE
14 AUCTION PROCESS FOR STATE HEALTH PLAN SELECTION OF PHARMACY
15 BENEFIT MANAGERS;

16 (b) THE ELECTRONIC REVIEW AND VALIDATION OF PHARMACY
17 BENEFIT MANAGER CLAIMS AS THE FOUNDATION FOR RECONCILING
18 PHARMACY BILLS; AND

19 (c) THE TECHNOLOGY-DRIVEN EVALUATION OF INCUMBENT
20 PHARMACY BENEFIT MANAGER PRESCRIPTION DRUG PRICING BASED ON
21 BENCHMARK COMPARATORS DERIVED FROM PHARMACY BENEFIT
22 MANAGER REVERSE AUCTION PROCESSES CONDUCTED IN THE UNITED
23 STATES OVER THE PREVIOUS TWELVE MONTHS.

24 **24-50-1203. Definitions.** AS USED IN THIS PART 12, UNLESS THE
25 CONTEXT OTHERWISE REQUIRES:

26 (1) "AWP" MEANS AVERAGE WHOLESALE PRICE.

27 (2) "DEPARTMENT" MEANS THE DEPARTMENT OF PERSONNEL.

1 (3) "GNC" MEANS GUARANTEED NET COST.

2 (4) "MARKET CHECK" MEANS A TECHNOLOGY-DRIVEN
3 EVALUATION OF AN INCUMBENT PBM'S PRESCRIPTION DRUG PRICING
4 BASED ON BENCHMARK COMPARATORS DERIVED FROM PBM REVERSE
5 AUCTION PROCESSES CONDUCTED IN THE UNITED STATES OVER THE
6 PREVIOUS TWELVE MONTHS.

7 (5) "NADAC" MEANS NATIONAL AVERAGE DRUG ACQUISITION
8 COST.

9 (6) "NIST" MEANS NATIONAL INSTITUTE OF STANDARDS AND
10 TECHNOLOGY.

11 (7) "PARTICIPANT BIDDING AGREEMENT" MEANS AN ONLINE
12 AGREEMENT THAT DETAILS COMMON DEFINITIONS, PRESCRIPTION DRUG
13 CLASSIFICATIONS, RULES, DATA ACCESS AND USE RIGHTS, AND OTHER
14 OPTIMAL CONTRACT TERMS BENEFITTING THE STATE THAT ALL PBM
15 BIDDERS MUST ACCEPT AS A PREREQUISITE FOR PARTICIPATION IN A PBM
16 REVERSE AUCTION.

17 (8) "PHARMACY BENEFIT MANAGER" OR "PBM" MEANS A PERSON,
18 BUSINESS, OR OTHER ENTITY THAT, PURSUANT TO A CONTRACT WITH A
19 HEALTH CARE SERVICE PLAN, MANAGES, IN WHOLE OR THROUGH A
20 COORDINATION OF SERVICE PROVIDERS, THE PRESCRIPTION DRUG
21 COVERAGE PROVIDED BY THE HEALTH CARE SERVICE PLAN, INCLUDING,
22 BUT NOT LIMITED TO, THE PROCESSING AND PAYMENT OF CLAIMS FOR
23 PRESCRIPTION DRUGS, THE PERFORMANCE OF DRUG UTILIZATION REVIEW,
24 THE PROCESSING OF PRIOR AUTHORIZATION REQUESTS FOR SPECIFIED
25 DRUGS, THE ADJUDICATION OF APPEALS OR GRIEVANCES RELATED TO
26 PRESCRIPTION DRUG COVERAGE, CONTRACTING WITH NETWORK
27 PHARMACIES, AND CONTROLLING THE COST OF COVERED PRESCRIPTION

1 DRUGS.

2 (9) "PBM REVERSE AUCTION" MEANS AN AUTOMATED,
3 TRANSPARENT, AND DYNAMICALLY COMPETITIVE BIDDING PROCESS
4 CONDUCTED ONLINE THAT STARTS WITH AN OPENING ROUND OF BIDS AND
5 ALLOWS QUALIFIED PBM BIDDERS TO COUNTER-OFFER A LOWER PRICE FOR
6 AS MANY ROUNDS OF BIDDING AS DETERMINED BY THE DEPARTMENT FOR
7 A MULTIPLE HEALTH PLAN PRESCRIPTION DRUG PURCHASING GROUP.

8 (10) "PRICE" MEANS THE PROJECTED COST OF A PBM OFFER OR BID
9 FOR PROVIDING PRESCRIPTION DRUG BENEFITS PURSUANT TO THIS PART 12,
10 TO ENABLE DIRECT COMPARISON OF THE COMPARABLY CALCULATED COSTS
11 OF COMPETING PBM PROPOSALS OVER THE DURATION OF THE PBM
12 SERVICES CONTRACT.

13 (11) "REAL-TIME" MEANS WITHIN NO MORE THAN ONE HOUR.

14 (12) "SELF-FUNDED PRIVATE SECTOR HEALTH PLAN" MEANS ANY
15 SELF-FUNDED PRIVATE SECTOR EMPLOYER OR MULTI-EMPLOYER HEALTH
16 PLAN.

17 (13) "SELF-FUNDED PUBLIC SECTOR HEALTH PLAN" MEANS ANY
18 GROUP BENEFIT PLAN PROVIDED PURSUANT TO THE "STATE EMPLOYEES
19 GROUP BENEFITS ACT", PART 6 OF THIS ARTICLE 50; ANY STATE-FUNDED
20 HEALTH PLAN OR SELF-FUNDED COUNTY, MUNICIPAL, OR OTHER LOCAL
21 GOVERNMENT EMPLOYEE HEALTH PLAN; AND ANY PUBLIC SCHOOL
22 EMPLOYEE HEALTH PLAN, HEALTH PLAN OF THE UNIVERSITY OF
23 COLORADO, COLORADO PUBLIC FOUR-YEAR COLLEGE, OR COLORADO
24 COMMUNITY COLLEGE SYSTEM.

25 (14) "SOC 2" MEANS SERVICE ORGANIZATION CONTROL 2.

26 **24-50-1204. Competitive pharmacy benefit manager - contract**
27 **- requirements.** (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW,

1 THE DEPARTMENT SHALL ENTER INTO A CONTRACT FOR THE SERVICES OF
2 A PHARMACY BENEFIT MANAGER FOR THE ADMINISTRATION OF BENEFITS
3 UNDER THE "STATE EMPLOYEES GROUP BENEFITS ACT", PART 6 OF THIS
4 ARTICLE 50, IN A TRANSPARENT, ONLINE, AND DYNAMICALLY COMPETITIVE
5 PROCESS AND IN THE MANNER SPECIFIED IN THIS SECTION.

6 (2) PRIOR TO NOVEMBER 1, 2021, THE DEPARTMENT SHALL
7 PROCURE, THROUGH THE SOLICITATION OF PROPOSALS FROM QUALIFIED
8 PROFESSIONAL SERVICES VENDORS, THE FOLLOWING PRODUCTS AND
9 SERVICES BASED ON PRICE, CAPABILITIES, AND OTHER FACTORS DEEMED
10 RELEVANT BY THE DEPARTMENT:

11 (a) A TECHNOLOGY PLATFORM WITH THE REQUIRED CAPABILITIES
12 FOR CONDUCTING A PBM REVERSE AUCTION. THE TECHNOLOGY
13 PLATFORM SHALL, AT A MINIMUM, POSSESS THE CAPACITY TO:

14 (I) CONDUCT AN AUTOMATED, ONLINE, REVERSE AUCTION OF PBM
15 SERVICES USING A SOFTWARE APPLICATION AND HIGH-PERFORMANCE
16 DATA INFRASTRUCTURE TO INTAKE, CLEANSE, AND NORMALIZE PBM DATA
17 WITH DEVELOPMENT METHODS AND INFORMATION SECURITY STANDARDS
18 THAT HAVE BEEN VALIDATED BY RECEIVING SOC 2 AND NIST
19 CERTIFICATION;

20 (II) AUTOMATE REPRICING OF DIVERSE AND COMPLEX PBM
21 PRESCRIPTION DRUG PRICING PROPOSALS TO ENABLE DIRECT COMPARISON
22 OF THE COMPARABLY CALCULATED COSTS TO THE STATE OF PBM BIDS
23 USING ONE HUNDRED PERCENT OF ANNUAL PRESCRIPTION DRUG CLAIMS
24 DATA AVAILABLE FOR STATE-FUNDED HEALTH PLANS OR A MULTIPLE
25 HEALTH PLAN PRESCRIPTION DRUG PURCHASING GROUP AND USING
26 CODE-BASED CLASSIFICATION OF DRUGS FROM NATIONALLY ACCEPTED
27 DRUG SOURCES;

1 (III) SIMULTANEOUSLY EVALUATE, IN REAL-TIME, DIVERSE AND
2 COMPLEX MULTIPLE PROPOSALS FROM FULL SERVICE PBMs, INCLUDING
3 AWP, GNC, AND NADAC PRICING MODELS, AS WELL AS PROPOSALS
4 FROM PHARMACY BENEFIT ADMINISTRATORS AND SPECIALTY DRUG AND
5 REBATE CARVE OUT SERVICE PROVIDERS;

6 (IV) PRODUCE AN AUTOMATED REPORT AND ANALYSIS OF PBM
7 BIDS, INCLUDING THE RANKING OF PBM BIDS BASED ON THE COMPARATIVE
8 COSTS AND QUALITATIVE ASPECTS OF THE BIDS WITHIN A ONE-HOUR
9 PERIOD FOLLOWING THE CLOSE OF EACH ROUND OF REVERSE AUCTION
10 BIDDING; AND

11 (V) PERFORM REAL-TIME, ELECTRONIC, LINE-BY-LINE,
12 CLAIM-BY-CLAIM REVIEW OF ONE HUNDRED PERCENT OF INVOICED PBM
13 PRESCRIPTION DRUG CLAIMS, AND IDENTIFY ALL DEVIATIONS FROM THE
14 SPECIFIC TERMS OF THE PBM SERVICES CONTRACT RESULTING FROM THE
15 RESERVE AUCTION PROCESS; AND

16 (b) RELATED SERVICES FROM THE OPERATOR OF THE TECHNOLOGY
17 PLATFORM IDENTIFIED IN SUBSECTION (2)(a) OF THIS SECTION, WHICH
18 SHALL INCLUDE, AT A MINIMUM:

- 19 (I) EVALUATION OF THE QUALIFICATIONS OF PBM BIDDERS;
- 20 (II) ONLINE AUTOMATED REVERSE AUCTION SERVICES TO SUPPORT
21 THE DEPARTMENT IN COMPARING THE PRICING FOR THE PBM
22 PROCUREMENT; AND
- 23 (III) RELATED PROFESSIONAL SERVICES.

24 (3) THE DEPARTMENT SHALL PROCURE THE TECHNOLOGY
25 PLATFORM AND RELATED TECHNOLOGY OPERATOR NO LATER THAN FOUR
26 MONTHS IN ADVANCE OF THE DATE SCHEDULED FOR COMPLETION OF THE
27 PBM REVERSE AUCTION.

1 (4) THE DEPARTMENT SHALL NOT AWARD A CONTRACT FOR
2 PROCUREMENT OF THE TECHNOLOGY PLATFORM AND TECHNOLOGY
3 OPERATOR SERVICES TO A VENDOR THAT IS A PBM OR A VENDOR THAT IS
4 MANAGED BY OR A SUBSIDIARY OR AFFILIATE OF A PBM.

5 (5) THE VENDOR AWARDED THE CONTRACT BY THE DEPARTMENT
6 SHALL NOT OUTSOURCE ANY PART OF THE PBM REVERSE AUCTION OR THE
7 AUTOMATED, REAL-TIME, ELECTRONIC, LINE-BY-LINE, CLAIM-BY-CLAIM
8 REVIEW OF INVOICED PBM PRESCRIPTION DRUG CLAIMS.

9 (6) WITH TECHNICAL ASSISTANCE AND SUPPORT PROVIDED BY THE
10 TECHNOLOGY PLATFORM OPERATOR, THE DEPARTMENT SHALL SPECIFY THE
11 TERMS OF THE PARTICIPANT BIDDING AGREEMENT. THE TERMS OF THE
12 PARTICIPANT BIDDING AGREEMENT SHALL NOT BE MODIFIED EXCEPT BY
13 SPECIFIC CONSENT OF THE DEPARTMENT.

14 (7) (a) THE TECHNOLOGY PLATFORM USED TO CONDUCT THE
15 REVERSE AUCTION SHALL BE REPURPOSED OVER THE DURATION OF THE
16 PBM SERVICES CONTRACT AS AN AUTOMATED PHARMACY CLAIMS
17 ADJUDICATION ENGINE TO PERFORM REAL-TIME, ELECTRONIC,
18 LINE-BY-LINE, CLAIM-BY-CLAIM REVIEW OF ONE HUNDRED PERCENT OF
19 INVOICED PBM PRESCRIPTION DRUG CLAIMS, AND IDENTIFY ALL
20 DEVIATIONS FROM THE SPECIFIC TERMS OF THE PBM SERVICES CONTRACT.

21 (b) THE DEPARTMENT SHALL RECONCILE THE ELECTRONICALLY
22 ADJUDICATED PHARMACY CLAIMS, AS DESCRIBED IN SUBSECTION (7)(a) OF
23 THIS SECTION, WITH PBM INVOICES ON A MONTHLY OR QUARTERLY BASIS
24 TO ENSURE THAT STATE PAYMENTS SHALL NOT EXCEED THE TERMS
25 SPECIFIED IN ANY PBM SERVICES CONTRACT.

26 (c) IF FOLLOWING STATE PAYMENT TO THE PBM ON THE BASIS OF
27 SUCH RECONCILIATION, THE PBM ASSERTS THAT THE DEPARTMENT OR ITS

1 AUTHORIZED REPRESENTATIVE HAS UNDERPAID ON THE AMOUNT OWED,
2 THE PBM MAY SEEK RESOLUTION THROUGH A MUTUALLY ACCEPTABLE
3 DISPUTE RESOLUTION PROCESS, WHICH THE PARTIES SHALL HAVE AGREED
4 TO PREVIOUSLY IN THE TERMS OF THEIR CONTRACT.

5 (8) (a) EACH PBM REVERSE AUCTION SHALL BE COMPLETED AND
6 THE PBM SERVICES CONTRACT SHALL BE AWARDED TO THE WINNING PBM
7 NO LATER THAN THREE MONTHS PRIOR TO TERMINATION OR EXPIRATION
8 OF THE CURRENT PBM SERVICES CONTRACT FOR A COVERED GROUP, SUCH
9 AS THE STATE EMPLOYEES BENEFITS GROUP, THAT INCLUDES ONLY ACTIVE
10 EMPLOYEES AND DEPENDENTS, BUT DOES NOT INCLUDE RETIREE
11 PARTICIPANTS IN A MEDICARE PART D EMPLOYER GROUP WAIVER
12 PROGRAM PURSUANT TO THE "MEDICARE PRESCRIPTION DRUG,
13 IMPROVEMENT, AND MODERNIZATION ACT OF 2003", PUB.L. 108-173.

14 (b) IN THE EVENT AN ELIGIBLE COVERED GROUP THAT INCLUDES
15 RETIREE PARTICIPANTS IN A PART D EMPLOYER GROUP WAIVER PROGRAM
16 PURSUANT TO THE "MEDICARE PRESCRIPTION DRUG, IMPROVEMENT, AND
17 MODERNIZATION ACT OF 2003", PUB.L. 108-173, OPTS TO USE THE
18 PROCESSES AND PROCEDURES SET FORTH IN THIS PART 12, THE RELEVANT
19 PBM REVERSE AUCTION SHALL BE COMPLETED AND THE PBM SERVICES
20 CONTRACT SHALL BE AWARDED TO THE WINNING PBM NO LATER THAN SIX
21 MONTHS PRIOR TO TERMINATION OR EXPIRATION OF THE PBM SERVICES
22 CONTRACT CURRENTLY COVERING THE RETIREE EMPLOYER GROUP WAIVER
23 PROGRAM PARTICIPANTS.

24 (9) THE DEPARTMENT MAY PERFORM A MARKET CHECK FOR
25 PROVIDING PBM SERVICES DURING THE TERM OF THE CURRENT PBM
26 SERVICES CONTRACT, WHICH SHALL BE A TECHNOLOGY-DRIVEN
27 EVALUATION OF THE INCUMBENT PBM'S PRESCRIPTION DRUG PRICING

1 BASED ON BENCHMARK COMPARATORS DERIVED FROM PBM REVERSE
2 AUCTION PROCESSES CONDUCTED IN THE UNITED STATES OVER THE
3 PREVIOUS TWELVE MONTHS IN ORDER TO ENSURE CONTINUING
4 COMPETITIVENESS OF INCUMBENT PRESCRIPTION DRUG PRICING OVER THE
5 LIFE OF A PBM SERVICES CONTRACT.

6 (10) TO ENSURE THAT THE DEPARTMENT DOES NOT INCUR
7 ADDITIONAL EXPENDITURES ASSOCIATED WITH CONDUCT OF THE PBM
8 REVERSE AUCTION, ONGOING ELECTRONIC REVIEW AND VALIDATIONS OF
9 PBM CLAIMS, AND OPTIONAL PERIODIC MARKET CHECKS, THE
10 DEPARTMENT SHALL IMPLEMENT A NO-PAY OPTION THAT OBLIGATES THE
11 WINNING PBM, RATHER THAN THE STATE, TO PAY THE COST OF THE
12 TECHNOLOGY PLATFORM AND RELATED TECHNOLOGY PLATFORM
13 OPERATOR SERVICES BY ASSESSING THE PBM A PER-PRESCRIPTION FEE IN
14 AN AMOUNT AGREED TO BY THE DEPARTMENT AND THE TECHNOLOGY
15 OPERATOR AND REQUIRING THE PBM TO PAY THESE FEES TO THE
16 TECHNOLOGY OPERATOR OVER THE DURATION OF THE PBM SERVICES
17 CONTRACT. THE OBLIGATION OF THE WINNING PBM TO PAY THE
18 PER-PRESCRIPTION FEES SHALL BE INCORPORATED AS A TERM OF THE
19 PARTICIPANT BIDDING AGREEMENT AND THE PBM SERVICES CONTRACT
20 AWARDED TO THE PBM REVERSE AUCTION WINNER.

21 (11)(a) THE PROCESSES AND PROCEDURES SET FORTH IN THIS PART
22 12 APPLY TO GROUP BENEFIT PLANS PROVIDED PURSUANT TO THE "STATE
23 EMPLOYEES GROUP BENEFITS ACT", PART 6 OF THIS ARTICLE 50. THIS
24 PART 12 SHALL NOT APPLY IN THE CASE OF A NONPROFIT,
25 NONGOVERNMENTAL HEALTH MAINTENANCE ORGANIZATION WITH
26 RESPECT TO MANAGED CARE PLANS THAT PROVIDE A MAJORITY OF
27 COVERED PROFESSIONAL SERVICES THROUGH A SINGLE CONTRACTED

1 MEDICAL GROUP.

2 (b) ANY OTHER SELF-FUNDED PUBLIC SECTOR HEALTH PLAN MAY
3 USE THE PROCESSES AND PROCEDURES SET FORTH IN THIS PART 12
4 INDIVIDUALLY, COLLECTIVELY, OR AS A JOINT PURCHASING GROUP WITH
5 THE GROUP BENEFIT PLANS PROVIDED PURSUANT TO THE "STATE
6 EMPLOYEES GROUP BENEFITS ACT", PART 6 OF THIS ARTICLE 50.

7 (c) (I) AFTER COMPLETION OF THE FIRST PBM REVERSE AUCTION,
8 SELF-FUNDED PRIVATE SECTOR HEALTH PLANS WITH SUBSTANTIAL
9 PARTICIPATION BY COLORADO EMPLOYEES AND THEIR DEPENDENTS SHALL
10 HAVE THE OPTION TO PARTICIPATE IN A JOINT PURCHASING POOL WITH
11 STATE EMPLOYEES FOR SUBSEQUENT PBM REVERSE AUCTIONS.

12 (II) THE GROUP BENEFIT PLANS PROVIDED PURSUANT TO THE
13 "STATE EMPLOYEES GROUP BENEFITS ACT", PART 6 OF THIS ARTICLE 50,
14 AND ANY SELF-FUNDED PUBLIC SECTOR HEALTH PLANS OR SELF-FUNDED
15 PRIVATE SECTOR HEALTH PLANS THAT OPT TO PARTICIPATE WITH THE
16 STATE EMPLOYEES GROUP BENEFITS PLAN IN A JOINT PBM REVERSE
17 AUCTION PURCHASING POOL SHALL RETAIN FULL AUTONOMY OVER
18 DETERMINATION OF THEIR RESPECTIVE PRESCRIPTION DRUG FORMULARIES
19 AND PHARMACY BENEFIT DESIGNS AND SHALL NOT BE REQUIRED TO ADOPT
20 A COMMON PRESCRIPTION DRUG FORMULARY OR COMMON PRESCRIPTION
21 PHARMACY BENEFIT DESIGN. ANY SUCH ENTITY OR PURCHASING GROUP
22 SHALL AGREE, BEFORE PARTICIPATING IN THE PBM REVERSE AUCTION, TO
23 ACCEPT THE PRESCRIPTION DRUG PRICING PLAN THAT IS SELECTED
24 THROUGH THE PBM REVERSE AUCTION PROCESS.

25 (III) ANY PBM PROVIDING SERVICES TO THE DEPARTMENT, TO
26 SELF-FUNDED PUBLIC SECTOR HEALTH PLANS, OR TO SELF-FUNDED
27 PRIVATE SECTOR HEALTH PLANS AS DESCRIBED IN THIS SECTION SHALL

1 PROVIDE THE DEPARTMENT AND THE PLAN ACCESS TO COMPLETE
2 PHARMACY CLAIMS DATA NECESSARY TO CONDUCT THE REVERSE AUCTION
3 AND CARRY OUT THEIR ADMINISTRATIVE AND MANAGEMENT DUTIES.

4 **SECTION 2. Safety clause.** The general assembly hereby finds,
5 determines, and declares that this act is necessary for the immediate
6 preservation of the public peace, health, or safety.