

CHAPTER 285

INSURANCE

SENATE BILL 98-107

BY SENATORS Matsunaka, Hernandez, Johnson, and Thiebaut;
also REPRESENTATIVES Entz, Leyba, Musgrave, Reeser, Smith, Snyder, Spradley, and Tate.

AN ACT

CONCERNING EXPEDITIOUS ACCESS TO MEDICAL TREATMENT FOR PERSONS WHO ARE COVERED BY INSURANCE.

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

SECTION 1. Part 1 of article 16 of title 10, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

10-16-122. Access to prescription drugs. (1) EXCEPT AS PROVIDED IN SECTION 26-4-115 (2) (s), C.R.S., ANY PHARMACY BENEFIT MANAGEMENT FIRM OR INTERMEDIARY WHOSE CONTRACT WITH A CARRIER, AS DEFINED IN SECTION 10-16-102 (8), INCLUDES AN OPEN NETWORK SHALL ALLOW PARTICIPATION BY EACH PHARMACY PROVIDER IN THE CONTRACT SERVICE AREA. IF A PHARMACY BENEFIT MANAGEMENT FIRM OR INTERMEDIARY OFFERS AN OPEN NETWORK, THE PHARMACY BENEFIT MANAGEMENT FIRM OR INTERMEDIARY MAY OFFER SUCH NETWORK ON A REGIONAL OR LOCAL BASIS.

(2) FOR PURPOSES OF THIS SECTION, "OPEN NETWORK" MEANS ANY PHARMACY NETWORK CREATED BY A PHARMACY BENEFIT MANAGEMENT FIRM OR INTERMEDIARY THROUGH A CONTRACTING PROCESS WITH PHARMACY PROVIDERS THAT DOES NOT INCLUDE COMPETITIVE BIDDING AND ALLOWS PARTICIPATION BY ANY PHARMACY PROVIDER THAT AGREES TO THE TERMS AND CONDITIONS OF THE CONTRACT OFFERED BY THE PHARMACY BENEFIT MANAGEMENT FIRM OR INTERMEDIARY.

(3) A PHARMACY BENEFIT MANAGEMENT FIRM OR INTERMEDIARY SHALL NOT BE PROHIBITED FROM CONTRACTING WITH EXCLUSIVE PHARMACY NETWORKS IF, SIXTY DAYS BEFORE THE TERMINATION OR EFFECTIVE DATE OF AN EXCLUSIVE PHARMACY NETWORK CONTRACT BETWEEN THE PHARMACY PROVIDERS AND THE PHARMACY BENEFIT MANAGEMENT FIRM OR INTERMEDIARY, NOTICE OF SUCH TERMINATION OR

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

OF THE EFFECTIVE DATE OF AN EXCLUSIVE PHARMACY NETWORK CONTRACT IS PUBLISHED IN ONE OR MORE NEWSPAPERS OF GENERAL CIRCULATION IN THE AFFECTED CONTRACT SERVICE AREA. NOTICE SHALL INCLUDE INFORMATION ABOUT WHERE IN COLORADO A COPY OF THE PHARMACY PROVIDER SELECTION CRITERIA MAY BE OBTAINED.

SECTION 2. Effective date - applicability. (1) This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

(2) The provisions of this act shall apply to all contracts for pricing and terms for the administration of a prescription drug benefit negotiated, renegotiated, or renewed by insurers subject to article 16 of title 10, Colorado Revised Statutes, on or after the effective date of this act.

Approved: June 1, 1998