

**5ESSB 5857** - H AMD TO GGIT COMM AMD (H-4627.2/16) **934**

By Representative Cody

**ADOPTED 03/04/2016**

1 On page 2, line 5 of the striking amendment, after "appeal" insert  
2 "under RCW 19.340.100(6)"

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4 On page 4, line 28 of the striking amendment, after "appeal"  
5 insert "of a pharmacy with fewer than fifteen retail outlets, within  
6 the state of Washington, under its corporate umbrella"

7  
8 On page 5, line 6 of the striking amendment, after "drug" insert  
9 ". A pharmacy with fifteen or more retail outlets, within the state  
10 of Washington, under its corporate umbrella may submit information to  
11 the commissioner about an appeal under subsection (3) of this section  
12 for purposes of information collection and analysis"

13  
14 On page 5, after line 34 of the striking amendment, insert the  
15 following:

16 "(d) A pharmacy benefit manager may not retaliate against a  
17 pharmacy for pursuing an appeal under this subsection (6)."

18 "(e) This subsection (6) applies only to a pharmacy with fewer than  
19 fifteen retail outlets, within the state of Washington, under its  
20 corporate umbrella."

21  
22 On page 5, beginning on line 37 of the striking amendment, after  
23 "(8)" strike all material through "umbrella." on page 7, line 33 and  
24 insert "A pharmacy benefit manager shall comply with any requests for  
25 information from the commissioner for purposes of the study of the  
26 pharmacy chain of supply conducted under section 7 of this act."

27

1 Renumber the remaining sections consecutively and correct any  
2 internal references accordingly.

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4 On page 8, line 32 of the striking amendment, after "(d)" insert  
5 "Review data submitted under RCW 19.340.100(4)(b) for patterns and  
6 trends in the denials of internal pharmacy benefit manager appeals  
7 involving pharmacies with fifteen or more retail outlets, within the  
8 state of Washington, under their corporate umbrellas;

9 (e)"

10  
11 Renumber the remaining subsections consecutively and correct any  
12 internal references accordingly.

13  
14 Correct the title.

15

EFFECT: Subjects pharmacies with 15 or more retail outlets to the same standards applied to pharmacies with fewer than 15 retail outlets except for the following: (a) the requirement that a pharmacy benefit manager (PBM) uphold an appeal if the pharmacy can demonstrate it is unable to purchase a therapeutically equivalent interchangeable product from a Washington supplier at the PBM's list price, which remains applicable only to pharmacies with fewer than 15 retail outlets; and (b) the ability for a pharmacy to appeal a PBM's decision to the Office of the Insurance Commissioner (OIC), which remains applicable only to pharmacies with fewer than 15 retail outlets. Prohibits a PBM from retaliating against a pharmacy for appealing a decision to the OIC. Allows a pharmacy with fifteen or more retail outlets to submit information to the OIC about an internal PBM appeal for purposes of data collection and analysis. Requires the OIC to include, in its study of the pharmacy chain of supply, a review of data on internal PBM appeals submitted by pharmacies with 15 or more retail outlets for patterns and trends in the denials of the appeals. Requires a PBM to comply with data requests from the OIC for purposes of the study of the pharmacy chain of supply. Clarifies that the OIC only has the authority to render binding decisions arising from statutory appeals by pharmacies with fewer than 15 retail outlets.

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