

REFERENCE TITLE: pharmacists; pharmacies; reimbursement costs; appeals

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HB 2208

Introduced by
Representative Bliss

AN ACT

AMENDING TITLE 20, CHAPTER 25, ARTICLE 2, ARIZONA REVISED STATUTES, BY
ADDING SECTION 20-3335; RELATING TO PHARMACY BENEFIT MANAGERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 20, chapter 25, article 2, Arizona Revised
3 Statutes, is amended by adding section 20-3335, to read:

4 20-3335. Pharmacy benefit managers; prescription drugs or
5 devices; reimbursement costs; appeals; procedures;
6 exception; definitions

7 A. A PHARMACY BENEFIT MANAGER MAY NOT REIMBURSE A PHARMACIST OR
8 PHARMACY THAT IS UNDER CONTRACT WITH THE PHARMACY BENEFIT MANAGER FOR A
9 PRESCRIPTION DRUG OR DEVICE IN AN AMOUNT THAT IS LESS THAN THE ACTUAL COST
10 PAID BY THE PHARMACIST OR PHARMACY.

11 B. SUBSECTION A OF THIS SECTION DOES NOT APPLY TO A PHARMACY
12 BENEFIT MANAGER THAT USES INGREDIENT COST REIMBURSEMENT METHODOLOGY FOR A
13 PRESCRIPTION DRUG OR DEVICE THAT IS IDENTICAL TO THE FEE-FOR-SERVICE
14 METHODOLOGY THAT IS USED IN THE STATE PLAN FOR MEDICAL ASSISTANCE AS
15 APPROVED BY THE CENTERS FOR MEDICARE AND MEDICAID SERVICES.

16 C. A PHARMACY BENEFIT MANAGER MAY NOT INCLUDE A PROFESSIONAL
17 DISPENSING FEE IN THE AMOUNT THAT IS CALCULATED TO REIMBURSE A PHARMACY
18 FOR A PRESCRIPTION DRUG OR DEVICE TO SATISFY THE REQUIREMENTS OF
19 SUBSECTION A OF THIS SECTION.

20 D. A PHARMACY BENEFIT MANAGER SHALL PAY A PROFESSIONAL DISPENSING
21 FEE AT A RATE NOT LESS THAN THE FEE-FOR-SERVICE METHODOLOGY USED IN THE
22 STATE PLAN FOR MEDICAL ASSISTANCE AS APPROVED BY THE CENTERS FOR MEDICARE
23 AND MEDICAID SERVICES.

24 E. A PHARMACY BENEFIT MANAGER SHALL INCLUDE IN THE CONTRACT WITH
25 EACH PHARMACIST OR PHARMACY A PROCEDURE THAT OUTLINES HOW A PHARMACIST OR
26 PHARMACY MAY APPEAL A REIMBURSEMENT RATE THAT ALLEGEDLY DOES NOT COMPLY
27 WITH SUBSECTION A OF THIS SECTION. A PHARMACIST OR PHARMACY SHALL FILE AN
28 APPEAL WITHIN SEVEN BUSINESS DAYS AFTER THE DATE ON WHICH THE PHARMACIST
29 OR PHARMACY WAS REIMBURSED FOR A PRESCRIPTION DRUG OR DEVICE.

30 F. A PHARMACY BENEFIT MANAGER SHALL FILE ITS APPEAL PROCEDURES WITH
31 THE DEPARTMENT ON A FORM AND IN A MANNER PRESCRIBED BY THE DEPARTMENT.
32 THE DEPARTMENT SHALL APPROVE OR DENY A PHARMACY BENEFIT MANAGER'S APPEAL
33 PROCEDURE. THE APPEAL PROCEDURE SHALL INCLUDE A PROVISION THAT ALLOWS AN
34 AGENT OF A PHARMACIST OR PHARMACY TO SUBMIT AN APPEAL ON BEHALF OF THE
35 PHARMACIST OR PHARMACY. A PHARMACIST OR PHARMACY MAY DESIGNATE A PHARMACY
36 SERVICES ADMINISTRATIVE ORGANIZATION OR OTHER AGENT TO FILE AND CONDUCT
37 THE APPEAL.

38 G. IF A PHARMACIST OR PHARMACY PREVAILS IN AN APPEAL OF A
39 REIMBURSEMENT COST UNDER THIS SECTION, THE PHARMACY BENEFIT MANAGER SHALL
40 COMPLETE ALL OF THE FOLLOWING NOT LATER THAN SEVEN BUSINESS DAYS AFTER THE
41 DATE THE PHARMACIST OR PHARMACY PREVAILED ON APPEAL:

42 1. MAKE THE NECESSARY CHANGE TO THE CHALLENGED REIMBURSEMENT OR
43 ACTUAL COST.

- 1 2. PROVIDE THE PHARMACIST OR PHARMACY WITH THE NATIONAL DRUG CODE
2 NUMBER FOR A PRESCRIPTION DRUG, IF THE APPEAL WAS BASED ON A PRESCRIPTION
3 DRUG.
- 4 3. ALLOW THE PHARMACIST OR PHARMACY TO REVERSE AND REBILL THE
5 CLAIM.
- 6 4. REIMBURSE THE PHARMACIST'S OR PHARMACY'S ACTUAL COST FOR THE
7 PRESCRIPTION DRUG OR DEVICE.
- 8 5. APPLY THE FINDINGS OF THE APPEAL TO THE REIMBURSEMENT RATE AND
9 ACTUAL COST FOR THE PRESCRIPTION DRUG OR DEVICE TO OTHER SIMILARLY
10 SITUATED PHARMACISTS AND PHARMACIES.
- 11 H. IF A PHARMACY BENEFIT MANAGER PREVAILS IN AN APPEAL OF A
12 REIMBURSEMENT COST UNDER THIS SECTION AND THE PRESCRIPTION DRUG OR DEVICE
13 THAT IS THE SUBJECT OF THE APPEAL IS AVAILABLE AT A COST THAT IS EQUAL TO
14 OR LESS THAN THE CHALLENGED REIMBURSEMENT COST, THE PHARMACY BENEFIT
15 MANAGER SHALL PROVIDE TO THE PHARMACIST OR PHARMACY BOTH OF THE FOLLOWING
16 NOT LATER THAN SEVEN BUSINESS DAYS AFTER THE PHARMACY BENEFIT MANAGER
17 PREVAILED ON APPEAL:
- 18 1. THE NAME OF THE NATIONAL OR REGIONAL PHARMACEUTICAL WHOLESALER
19 THAT DOES BUSINESS IN THIS STATE AND THAT HAS THE PRESCRIPTION DRUG OR
20 DEVICE IN STOCK AT A PRICE THAT IS EQUAL TO OR LESS THAN THE CHALLENGED
21 REIMBURSEMENT COST.
- 22 2. THE NATIONAL DRUG CODE NUMBER FOR THE PRESCRIPTION DRUG OR THE
23 UNIQUE IDENTIFIER FOR THE DEVICE, AS APPLICABLE.
- 24 I. IF THE PHARMACY BENEFIT MANAGER DOES NOT COMPLY WITH SUBSECTION
25 A OF THIS SECTION, THE PHARMACY BENEFIT MANAGER SHALL:
- 26 1. ADJUST THE CHALLENGED REIMBURSEMENT COST TO AN AMOUNT THAT IS
27 EQUAL TO OR GREATER THAN THE PHARMACIST'S OR PHARMACY'S ACTUAL COST.
- 28 2. ALLOW THE PHARMACIST OR PHARMACY TO REVERSE AND REBILL EACH
29 CLAIM THAT IS AFFECTED BY THE INABILITY TO OBTAIN THE PRESCRIPTION DRUG OR
30 DEVICE AT A COST THAT IS EQUAL TO OR LESS THAN THE CHALLENGED
31 REIMBURSEMENT.
- 32 J. THIS SECTION DOES NOT APPLY TO HEALTH AND ACCIDENT INSURANCE
33 COVERAGE THAT IS PROCURED BY THE DEPARTMENT OF ADMINISTRATION PURSUANT TO
34 SECTION 38-651.
- 35 K. FOR THE PURPOSES OF THIS SECTION:
- 36 1. "SIMILARLY SITUATED PHARMACISTS OR PHARMACIES" MEANS PHARMACISTS
37 OR PHARMACIES THAT MET ALL OF THE FOLLOWING:
- 38 (a) ARE UNDER CONTRACT WITH A PHARMACY BENEFIT MANAGER.
- 39 (b) PURCHASE A PRESCRIPTION DRUG OR DEVICE THAT IS THE SUBJECT OF
40 AN APPEAL OF A REIMBURSEMENT COST THAT ALLEGEDLY DOES NOT COMPLY WITH
41 SUBSECTION A OF THIS SECTION FROM THE SAME PHARMACEUTICAL WHOLESALER AS
42 THE PHARMACIST OR PHARMACY THAT PREVAILED IN THE APPEAL.
- 43 (c) TO WHOM THE PHARMACY BENEFIT MANAGER APPLIES THE CHALLENGED
44 REIMBURSEMENT RATE OR ACTUAL COST FOR THE PRESCRIPTION DRUG OR DEVICE.

1 2. "STATE PLAN" MEANS THE ARIZONA HEALTH CARE COST CONTAINMENT
2 SYSTEM.

3 Sec. 2. Applicability

4 Section 20-3335, Arizona Revised Statutes, as added by this act,
5 applies to contracts that are entered into, amended, extended or renewed
6 on or after December 31, 2025.