1	L.D. 1504
2	Date: (Filing No. S-)
3	HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES
4	Reproduced and distributed under the direction of the Secretary of the Senate.
5	STATE OF MAINE
6	SENATE
7	129TH LEGISLATURE
8	FIRST REGULAR SESSION
9 10	COMMITTEE AMENDMENT "" to S.P. 466, L.D. 1504, Bill, "An Act To Protect Consumers from Unfair Practices Related to Pharmacy Benefits Management"
11 12	Amend the bill by striking out everything after the enacting clause and inserting the following:
13 14	'Sec. 1. 22 MRSA §1711-E, sub-§1, \P G, as amended by PL 2011, c. 443, §1, is further amended to read:
15 16	G. "Pharmacy benefits manager" has the same meaning as in Title 24-A, section $\frac{1913}{1913-A}$, subsection 1, paragraph A.
17 18	Sec. 2. 22 MRSA §8702, sub-§8-B, as amended by PL 2011, c. 443, §3, is further amended to read:
19 20	8-B. Pharmacy benefits manager. "Pharmacy benefits manager" has the same meaning as in Title 24-A, section 1913 1913-A, subsection 1, paragraph A.
21 22	Sec. 3. 24-A MRSA §601, sub-§28, as enacted by PL 2009, c. 581, §3, is repealed.
23	Sec. 4. 24-A MRSA §601, sub-§28-A is enacted to read:
24 25	28-A. Pharmacy benefits manager. Pharmacy benefits manager licensing fees may not exceed:
26	A. Original issuance fee, \$100; and
27	B. Renewal fee, \$100.
28 29	Sec. 5. 24-A MRSA §1913, as repealed and replaced by PL 2011, c. 443, §4, is repealed.
30	Sec. 6. 24-A MRSA §1913-A is enacted to read:

Page 1 - 129LR0382(03)-1

COMMITTEE AMENDMENT

1 §1913-A. Licensure of pharmacy benefits managers

2	1. Definition; pharmacy benefits manager. As used in this section, "pharmacy
3	benefits manager" means a person, business or other entity that, pursuant to a contract or
4	under an employment relationship with a carrier, a self-insurance plan or other 3rd-party
5	payer, either directly or through an intermediary, manages the prescription drug coverage
6	provided by the carrier, self-insurance plan or other 3rd-party payer, including, but not
7	limited to, processing and paying claims for prescription drugs, performing drug
8	utilization review, processing drug prior authorization requests, adjudicating appeals or
9	grievances related to prescription drug coverage, contracting with network pharmacies
10	and controlling the cost of covered prescription drugs.
11	2. License required. Beginning January 1, 2020, a person may not act as a
12	pharmacy benefits manager in this State without first obtaining a license from the
13	superintendent in accordance with this section and paying the licensing fee required under
14	section 601, subsection 28-A.
15	3. Applicant information. An applicant for licensure as a pharmacy benefits
16	manager must file with the superintendent at least the following information:
17	A. The name of the applicant;
18	B. The address and telephone number of the applicant;
19	C. The name and address of the applicant's agent for service of process in the State;
20	D. The name and address of each person beneficially interested in the applicant; and
21	E. The name and address of each person with management or control over the
22	applicant.
23	4. Qualification. The superintendent may issue a pharmacy benefits manager
24	license to an applicant only if the superintendent is satisfied that the applicant possesses
25	the necessary organization, expertise and financial integrity to supply the services sought
26	to be offered.
27	5. Restrictions permitted. The superintendent may issue a pharmacy benefits
28	manager license subject to restrictions or limitations, including the type of services that
29	may be supplied or the activities in which the pharmacy benefits manager may engage.
30	6. Valid for 3 years. A license issued pursuant to this section is valid for a period of
31	3 years and must be renewed.
32	7. Nontransferable. A license issued pursuant to this section is not transferable.
33	8. Suspension, revocation or probationary license. The superintendent may
34	suspend, revoke or place on probation a pharmacy benefits manager license under any of
35	the following circumstances:
36	A. The pharmacy benefits manager has engaged in fraudulent activity that constitutes
37	a violation of state or federal law;
38	B. The superintendent has received consumer complaints that justify an action under
39	this subsection to protect the safety and interests of consumers;

Page 2 - 129LR0382(03)-1

COMMITTEE AMENDMENT

24	(See attached)
23	FISCAL NOTE REQUIRED
22	and replaces it with a licensing requirement.
21	amendment repeals the current registration requirement for pharmacy benefits managers
20	This amendment is the minority report of the committee and replaces the bill. The
19	SUMMARY
18	business in this State.'
17	pharmacy benefits manager shall obtain a license under this section in order to do
16	the registration date, whichever is later. Upon expiration of that registration, the
15	former section 1913 remains valid until January 1, 2020 or the next yearly anniversary of
13	The registration of a pharmacy benefits manager issued during 2019 in accordance with
13	12. Registration remains effective until January 1, 2020 or registration date.
12	and 223 and other provisions of this Title.
11	11. Enforcement. The superintendent may enforce this section under sections 220
9 10	10. Rules. The superintendent may adopt routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A to administer and enforce the requirements of this section.
8	to be in violation.
7	subject to a fine of \$5,000 per day for the period the pharmacy benefits manager is found
6	without obtaining a license pursuant to this section, the pharmacy benefits manager is
5	9. Penalty for failure to obtain license. If a pharmacy benefits manager acts
3 4	D. The pharmacy benefits manager fails to comply with a requirement set forth in this section.
2	for the license; or
1	C. The pharmacy benefits manager fails to pay the original issuance or renewal fee

Page 3 - 129LR0382(03)-1

COMMITTEE AMENDMENT