

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	SB789
Version:	ENGR
Request Number:	
Author:	Rep. Stinson
Date:	4/8/2025
Impact:	\$0

Research Analysis

The engrossed version SB 789 provides that the entity conducting the audit of a pharmacy will permit a pharmacy to use drug purchase records without limitation of date or source to validate the dispensing of a prescription drug or a controlled dangerous substance, provided that it was done in accordance with the law. The measure adds a definition of *effective rate contracting* to statute. The measure provides that no pharmacy benefits manager (PBM) can lease, rent, or otherwise make its provider network available to another PBM. The PBM must ensure that reimbursement to pharmacies for each drug dispensed is no less than 106% of the National Average Drug Acquisition Cost plus a professional fee of \$15. If the drug does not have a published price, the reimbursement will be 110% of the wholesale acquisition cost plus the professional fee. Effective rate contracting is prohibited in all agreements between pharmacies and a PBM. Any PBM in violation of this will be subject to penalties. The provisions of this section will not be waived, voided, or nullified by contract.

Prepared By: Suzie Nahach, House Research Staff

Fiscal Analysis

SB 789 establishes a minimum reimbursement rate for certain drugs in contracts between pharmacy benefits managers (PBMs) and providers, prohibits network sharing between PBMs, and prohibits effective rate contracting between pharmacies and PBMs. Additionally, the measure allows pharmacies to use drug purchase records, without limitation of date or source, to validate the dispensing of prescription drugs or controlled dangerous substances. The provisions of the measure are not expected to result in a negative fiscal impact on the state budget.

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Other Considerations

None.