PHARMACY BENEFIT MANAGER LICENSURE AND REGULATION ACT (EXCERPT)
Act 11 of 2022

550.837 Maximum allowable costs; pharmacy benefit manager duties.

Sec. 27.

(1) For each drug that a pharmacy benefit manager establishes a maximum allowable cost, the pharmacy benefit manager shall do all of the following:

(a) Provide each pharmacy subject to a maximum allowable cost list with access to the maximum allowable cost list and the source used to determine the maximum allowable cost for each drug.

(b) Update its maximum allowable cost list at least once every 7 calendar days.

(c) Provide a process for each pharmacy subject to the maximum allowable cost list to receive prompt notification of an update to the maximum allowable cost list.

(d) Establish and maintain a reasonable administrative appeals process to allow a pharmacy subject to the maximum allowable cost list or an agent of a pharmacy subject to the maximum allowable cost list to challenge the adjudication of a pharmacy's claim.

(e) Investigate and resolve an appeal under this subsection within 14 calendar days after the pharmacy benefit manager receives the appeal. An appeal under this subsection must be submitted to the pharmacy benefit manager not later than 45 calendar days after the date the pharmacy's claim for reimbursement has been adjudicated.

(f) Respond in writing to any appealing pharmacy or an appealing pharmacy's agent not later than 30 calendar days after receipt of an appeal if the pharmacy filed the appeal more than 10 calendar days after the date the pharmacy's claim for reimbursement is adjudicated.

(g) If an appeal is denied, provide the appealing pharmacy or the appealing pharmacy's agent the national drug code number available for purchase in this state at or below the appealed maximum allowable cost.

(h) If an appeal is granted, permit the pharmacy to reverse and rebill the claim and all claims for the drug.

(2) Before a pharmacy benefit manager places or continues a drug on a maximum allowable cost list, all of the following conditions must be met:

(a) The drug is available for purchase by pharmacies in this state from wholesale distributors operating in this state.

(b) The drug is not obsolete.

(c) The drug is a multiple source drug.

(3) All benefits payable by a carrier, health plan, or pharmacy benefit manager to a pharmacy must be paid within 14 days after adjudication of a claim if claims are submitted electronically.

History: 2022, Act 11, Eff. Jan. 1, 2024