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**HB240: "An Act relating to the registration and duties of pharmacy benefits managers; relating to procedures, guidelines, and enforcement mechanisms for pharmacy audits; relating to the cost of multi-source generic drugs and insurance reimbursement procedures; relating to the duties of the director of the division of insurance; and providing for an effective date"**

30-LS0868\A

**SPONSOR STATEMENT**

House Bill 240, Pharmacy Benefits Managers, establishes procedures and guidelines for the auditing of pharmacy records so that all pharmacies are held to the same standards by their auditors.

HB240's intent is to ensure that pharmacies are subject to reasonable audits. The bill outlines specific requirements for the auditing of pharmacy records by a pharmacy benefits manager. If disagreements arise between an auditor and a pharmacy, the measure allows for a meaningful appeal process.

Pharmacists acknowledge that audits are a good tool to protect the public and detect fraud or abuse. In some circumstances, audits can be unreasonable and used to deny pharmacies of fair reimbursement for their services. Pharmacies provide a customer the right drug in the right dose, but because of a clerical or typographical error in billing, they may be penalized by receiving partial or no reimbursement on their cost for a drug. HB240 also requires timely updates of drug pricing changes, and provide pharmacies with an appeal process when they are reimbursed below cost. HB240 is aimed at protecting the public from potential abuse, while at the same time ensuring that pharmacists face reasonable and consistent audits and fair pricing practices.

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