

**As Reported by the House Government Accountability and Oversight
Committee**

132nd General Assembly

**Regular Session
2017-2018**

H. B. No. 479

Representatives Lipps, West

**Cosponsors: Representatives Butler, Smith, K., Vitale, Scherer, Stein, Wiggam,
Hambley, Lepore-Hagan, Holmes, Ashford, Koehler**

A BILL

To amend sections 1739.05 and 3959.12 and to enact
sections 1751.90, 3923.87, 3959.20, and 4729.47
of the Revised Code regarding pharmacy benefit
managers, pharmacists, and the disclosure to
patients of drug price information.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 1739.05 and 3959.12 be amended
and sections 1751.90, 3923.87, 3959.20, and 4729.47 of the
Revised Code be enacted to read as follows:

Sec. 1739.05. (A) A multiple employer welfare arrangement
that is created pursuant to sections 1739.01 to 1739.22 of the
Revised Code and that operates a group self-insurance program
may be established only if any of the following applies:

(1) The arrangement has and maintains a minimum enrollment
of three hundred employees of two or more employers.

(2) The arrangement has and maintains a minimum enrollment
of three hundred self-employed individuals.

(3) The arrangement has and maintains a minimum enrollment 17
of three hundred employees or self-employed individuals in any 18
combination of divisions (A) (1) and (2) of this section. 19

(B) A multiple employer welfare arrangement that is 20
created pursuant to sections 1739.01 to 1739.22 of the Revised 21
Code and that operates a group self-insurance program shall 22
comply with all laws applicable to self-funded programs in this 23
state, including sections 3901.04, 3901.041, 3901.19 to 3901.26, 24
3901.38, 3901.381 to 3901.3814, 3901.40, 3901.45, 3901.46, 25
3901.491, 3902.01 to 3902.14, 3923.041, 3923.24, 3923.282, 26
3923.30, 3923.301, 3923.38, 3923.581, 3923.602, 3923.63, 27
3923.80, 3923.84, 3923.85, 3923.851, 3923.87, 3924.031, 28
3924.032, and 3924.27 of the Revised Code. 29

(C) A multiple employer welfare arrangement created 30
pursuant to sections 1739.01 to 1739.22 of the Revised Code 31
shall solicit enrollments only through agents or solicitors 32
licensed pursuant to Chapter 3905. of the Revised Code to sell 33
or solicit sickness and accident insurance. 34

(D) A multiple employer welfare arrangement created 35
pursuant to sections 1739.01 to 1739.22 of the Revised Code 36
shall provide benefits only to individuals who are members, 37
employees of members, or the dependents of members or employees, 38
or are eligible for continuation of coverage under section 39
1751.53 or 3923.38 of the Revised Code or under Title X of the 40
"Consolidated Omnibus Budget Reconciliation Act of 1985," 100 41
Stat. 227, 29 U.S.C.A. 1161, as amended. 42

(E) A multiple employer welfare arrangement created 43
pursuant to sections 1739.01 to 1739.22 of the Revised Code is 44
subject to, and shall comply with, sections 3903.81 to 3903.93 45
of the Revised Code in the same manner as other life or health 46

insurers, as defined in section 3903.81 of the Revised Code. 47

Sec. 1751.90. Each health insuring corporation shall 48
comply with the requirements of section 3959.20 of the Revised 49
Code as they pertain to health plan issuers. 50

As used in this section, "health plan issuer" has the same 51
meaning as in section 3922.01 of the Revised Code. 52

Sec. 3923.87. Each sickness and accident insurer or public 53
employee benefit plan shall comply with the requirements of 54
section 3959.20 of the Revised Code as they pertain to health 55
plan issuers. 56

As used in this section, "health plan issuer" has the same 57
meaning as in section 3922.01 of the Revised Code. 58

Sec. 3959.12. (A) Any license issued under sections 59
3959.01 to 3959.16 of the Revised Code may be suspended for a 60
period not to exceed two years, revoked, or not renewed by the 61
superintendent of insurance after notice to the licensee and 62
hearing in accordance with Chapter 119. of the Revised Code. The 63
superintendent may suspend, revoke, or refuse to renew a license 64
if upon investigation and proof the superintendent finds that 65
the licensee has done any of the following: 66

(1) Knowingly violated any provision of sections 3959.01 67
to 3959.16 or 3959.20 of the Revised Code or any rule 68
promulgated by the superintendent; 69

(2) Knowingly made a material misstatement in the 70
application for the license; 71

(3) Obtained or attempted to obtain a license through 72
misrepresentation or fraud; 73

(4) Misappropriated or converted to the licensee's own use 74

or improperly withheld insurance company premiums or 75
contributions held in a fiduciary capacity, excluding, however, 76
any interest earnings received by the administrator as disclosed 77
in writing by the administrator to the plan sponsor; 78

(5) In the transaction of business under the license, used 79
fraudulent, coercive, or dishonest practices; 80

(6) Failed to appear without reasonable cause or excuse in 81
response to a subpoena, examination, warrant, or other order 82
lawfully issued by the superintendent; 83

(7) Is affiliated with or under the same general 84
management or interlocking directorate or ownership of another 85
administrator that transacts business in this state and is not 86
licensed under sections 3959.01 to 3959.16 of the Revised Code; 87

(8) Had a license suspended, revoked, or not renewed in 88
any other state, district, territory, or province on grounds 89
identical to those stated in sections 3959.01 to 3959.16 of the 90
Revised Code; 91

(9) Been convicted of a financially related felony; 92

(10) Failed to report a felony conviction as required 93
under section 3959.13 of the Revised Code. 94

(B) Upon receipt of notice of the order of suspension in 95
accordance with section 119.07 of the Revised Code, the licensee 96
shall promptly deliver the license to the superintendent, unless 97
the order of suspension is appealed under section 119.12 of the 98
Revised Code. 99

(C) Any person whose license is revoked or whose 100
application is denied pursuant to sections 3959.01 to 3959.16 of 101
the Revised Code is ineligible to apply for an administrators 102

license for two years. 103

(D) The superintendent may impose a monetary fine against 104
a licensee if, upon investigation and after notice and 105
opportunity for hearing in accordance with Chapter 119. of the 106
Revised Code, the superintendent finds that the licensee has 107
done either of the following: 108

(1) Committed fraud or engaged in any illegal or dishonest 109
activity in connection with the administration of pharmacy 110
benefit management services; 111

(2) Violated any provision of section 3959.111 of the 112
Revised Code or any rule adopted by the superintendent pursuant 113
to or to implement that section. 114

Sec. 3959.20. (A) As used in this section: 115

(1) "Cost-sharing" means the cost to an individual insured 116
under a health benefit plan according to any coverage limit, 117
copayment, coinsurance, deductible, or other out-of-pocket 118
expense requirements imposed by the plan. 119

(2) "Health benefit plan" and "health plan issuer" have 120
the same meanings as in section 3922.01 of the Revised Code. 121

(3) "Pharmacy audit" has the same meaning as in section 122
3901.81 of the Revised Code. 123

(4) "Pharmacy benefit manager" and "administrator" have 124
the same meanings as in section 3959.01 of the Revised Code. 125

(B) No health plan issuer, pharmacy benefit manager, or 126
any other administrator shall require cost-sharing in an amount, 127
or direct a pharmacy to collect cost-sharing in an amount, 128
greater than the lesser of either of the following from an 129
individual purchasing a prescription drug: 130

(1) The amount an individual would pay for the drug if the 131
drug were to be purchased without coverage under a health 132
benefit plan; 133

(2) The net reimbursement paid to the pharmacy for the 134
prescription drug by the health plan issuer, pharmacy benefit 135
manager, or administrator. 136

(C) (1) No health plan issuer, pharmacy benefit manager, or 137
administrator shall retroactively adjust a pharmacy claim for 138
reimbursement for a prescription drug unless the adjustment is 139
the result of either of the following: 140

(a) A pharmacy audit conducted in accordance with sections 141
3901.811 to 3901.814 of the Revised Code; 142

(b) A technical billing error. 143

(2) No health plan issuer, pharmacy benefit manager, or 144
administrator shall charge a fee related to a claim unless the 145
amount of the fee can be determined at the time of claim 146
adjudication. 147

(D) The department of insurance shall create a web form 148
that consumers can use to submit complaints relating to 149
violations of this section. 150

Sec. 4729.47. When filling a prescription, if a 151
pharmacist, pharmacy intern, or terminal distributor of 152
dangerous drugs has information indicating that the cost-sharing 153
amount required by the patient's health benefit plan exceeds the 154
amount that may otherwise be charged for the same drug, both of 155
the following apply: 156

(A) The pharmacist, pharmacy intern, or terminal 157
distributor shall provide this information to the patient. 158

(B) The patient shall not be charged the higher amount. 159

Section 2. That existing sections 1739.05 and 3959.12 of 160
the Revised Code are hereby repealed. 161

Section 3. Section 3959.20 of the Revised Code as enacted 162
by this act applies to contracts for pharmacy services and to 163
health benefit plans, as defined in section 3922.01 of the 164
Revised Code, entered into or amended on or after the effective 165
date of this act. 166

Section 4. Section 1739.05 of the Revised Code is 167
presented in this act as a composite of the section as amended 168
by both Sub. H.B. 463 and Sub. S.B. 319 of the 131st General 169
Assembly. The General Assembly, applying the principle stated in 170
division (B) of section 1.52 of the Revised Code that amendments 171
are to be harmonized if reasonably capable of simultaneous 172
operation, finds that the composite is the resulting version of 173
the section in effect prior to the effective date of the section 174
as presented in this act. 175