

By: Deuell

S.B. No. 1845

A BILL TO BE ENTITLED

AN ACT

relating to audit practices of pharmacy benefit plans.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter D, Chapter 4151, Insurance Code, as effective April 1, 2005, is amended by adding Section 4151.154 to read as follows:

Sec. 4151.154. AUDIT PRACTICES. (a) Audit practices used by a pharmacy benefit manager may consist only of methods and procedures that are recognized as equitable to the pharmacy benefit manager and the pharmacy audited. The commissioner shall adopt rules as necessary to implement this subsection.

(b) A pharmacy benefit manager may not recover money owed by a pharmacy to the pharmacy benefit manager, as shown by an audit of the pharmacy, by reducing payments to the pharmacy from the pharmacy benefit manager before the audit results, including any challenges to the audit, are final and unappealable.

(c) A pharmacy benefit manager may not use extrapolation calculations in an audit of a pharmacy.

SECTION 2. The change in law made by this Act applies only to an audit performed by a pharmacy benefit manager on or after the effective date of this Act. An audit performed by a pharmacy benefit manager before the effective date of this Act is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

1 SECTION 3. This Act takes effect September 1, 2005.