



Garden State Pharmacy Owners



NJ Pharmacists Association



Independent Pharmacy Alliance

NJ ASSEMBLY APPROVES BILL A3717 PROHIBITS RETROACTIVE PBM FEES REQUIRES BER, GER, AND ALL FEES TO BE TRANSPARENT AT THE POINT OF SALE

On Thursday May 23, the New Jersey State Assembly passed on a bi-partisan basis **Assembly bill 3717** which would enact major reforms to strengthen the State MAC law and prohibit retroactive PBM fees by any means (including Brand Effective Rate and Generic Effective Rate) in Commercial, State Health Benefits and Medicaid plans. **PCMA opposed this bill strongly, but the it was overwhelmingly approved in the Assembly - Yes (74) No (0) Not Voting (3) Abstains (3).**

A special thanks to Assemblyman Raj Mukherji, Assemblywoman Joann Downey and Assemblyman Eric Houghtaling on successfully moving this bill through the legislative process. The bill includes the following provisions:

1. **Prohibits Retroactive Fees:** The bill specifically prohibits retroactive fees and requires that all fees be charged at the point-of-sale. When a pharmacy adjudicates a claim at the point of sale, the reimbursement amount provided to the pharmacy by the PBM shall constitute a final reimbursement amount.
2. **Strengthens the State MAC:** When the bill is enacted, brand effective rate, generic effective rate, professional fee, any successive pricing formulas and any other pricing methodology utilized by the PBM will be specifically listed in the MAC law. Once the bill is signed into law, all pharmacies will be able to file appeals on all reimbursements and have access to all PBM reimbursement lists.
3. **Product Deliveries:** A pharmacy licensed in the State of New Jersey shall be permitted to make product deliveries and mail prescriptions to patients without contractual restrictions by a pharmacy benefits manager.
4. **Accreditation Standards:** A PBM or third-party payer shall not require pharmacy accreditation standards or recertification requirements to participate in a network which are inconsistent with, more stringent than, or in addition to, the federal and State requirements for licensure as a pharmacy in this State.
5. **Approve Compensation:** The Commissioner of Banking and Insurance may review and approve the compensation program of a pharmacy benefits manager with a health benefits plan to ensure that the reimbursement for pharmacist services paid to a pharmacist or pharmacy is fair and reasonable to provide an adequate pharmacy benefits manager network for a health benefits plan.

We expect Senate action on A3717 and its Senate companion S728 in June. Please call your state Senator to request support for S728. Explain what these fees are doing to your ability to assist patients. If you do not know your state Senator, log on to www.njleg.state.nj.us and click the find your legislator link.