

Bill Summary
2nd Session of the 59th Legislature

Bill No.:	SB 1670
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Author:	Sen. McCortney
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Bill Analysis

SB 1670 requires any entity conducting an audit on a pharmacy to provide notice 15 days prior to conducting the audit instead of 2 weeks' notice. The measure also specifies that the 30-day notice for wholesale purchase audits shall be 30 calendar days. The measure also specifies that the audit date for on-site audits shall be the date the on-site audit occurs. All other audit types shall have an audit date that occurs on the day documentation is provided to the auditor by the pharmacy. The measure provides that patients shall first receive a refund of any monies originally paid by a patient upon receiving a recoupment of funds from a pharmacy. The measure requires auditing entities to disclose if the audit is being conducted due to suspicion of fraud, willful misrepresentation, or abuse and a statement of facts that supports the reasonable suspicion to claim an exemption from notification requirements. The measure outlines examples of "maximum allowable cost" used to calculate reimbursement of multiple-source prescription drugs, medical products, and medical devices. The measure provides that pharmacy benefits managers shall reimburse claims to pharmacies at no less than the wholesale acquisition cost for the specific NDC number being dispensed if the drug is placed on the FDA Drug Shortage Database.

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