

1 ENGROSSED HOUSE AMENDMENT  
TO  
2 ENGROSSED SENATE BILL NO. 789 By: Gollihare, Coleman, Alvord,  
3 Jech, Murdock, Guthrie,  
4 Bullard, Standridge,  
5 Weaver, Pugh, Pederson,  
6 Hamilton, Deevers, Paxton,  
7 Prieto, Kern, Boren, Burns,  
8 Stewart, Stanley, Haste,  
9 Seifried, McIntosh, Kirt,  
10 Brooks, Hines, Sacchieri,  
11 Goodwin, Reinhardt, Hall,  
12 Gillespie, and Bergstrom of  
13 the Senate  
14  
15 and  
16  
17 Stinson, Marti, and Moore  
18 of the House  
19  
20 [ pharmacy benefit managers - pharmacy audit -  
21 records - network sharing - reimbursement rates - fee  
22 increase - contracts - penalties - effective date ]  
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1 O.S. Supp. 2024, Sections 356.2, 357 and 360), which  
2 relate to pharmacy audits, definitions, and pharmacy  
3 benefit managers; modifying provisions related to  
4 audit requirements; prescribing requirements related  
5 to certain leases; restricting combination of certain  
6 plans; prohibiting effective rate contracting;  
7 prohibiting waiver, voiding, or nullification  
8 pursuant to contract; and providing an effective  
9 date.

10 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

11 SECTION 1. AMENDATORY 59 O.S. 2021, Section 356.2, as  
12 amended by Section 2, Chapter 332, O.S.L. 2024 (59 O.S. Supp. 2024,  
13 Section 356.2), is amended to read as follows:

14 Section 356.2. A. The entity conducting an audit of a pharmacy  
15 shall:

16 1. Identify and specifically describe the audit and appeal  
17 procedures in the pharmacy contract. Prescription claim  
18 documentation and record-keeping requirements shall not exceed the  
19 requirements set forth by the Oklahoma Pharmacy Act or other  
20 applicable state or federal laws or regulations;

21 2. Give the pharmacy written notice by certified letter to the  
22 pharmacy and the pharmacy's contracting agent, including  
23 identification of specific prescription numbers and fill dates to be  
24 audited, at least fourteen (14) calendar days prior to conducting  
the audit, including, but not limited to, an on-site audit, a desk  
audit, or a wholesale purchase audit, request for documentation

1 related to the dispensing of a prescription drug or any reimbursed  
2 activity by a pharmacy provider; provided, however, that wholesale  
3 purchase audits shall require a minimum of thirty (30) calendar  
4 days' written notice. For an on-site audit, the audit date shall be  
5 the date the on-site audit occurs. For all other audit types, the  
6 audit date shall be the date the pharmacy provides the documentation  
7 requested in the audit notice. The pharmacy shall have the  
8 opportunity to reschedule the audit no more than seven (7) calendar  
9 days from the date designated on the original audit notification;

10 3. Not interfere with the delivery of pharmacist services to a  
11 patient and shall utilize every reasonable effort to minimize  
12 inconvenience and disruption to pharmacy operations during the audit  
13 process;

14 4. Conduct any audit involving clinical or professional  
15 judgment by means of or in consultation with a licensed pharmacist;

16 5. Not consider as fraud any clerical or record-keeping error,  
17 such as a typographical error, scrivener's error or computer error,  
18 including, but not limited to, a miscalculated day supply,  
19 incorrectly billed prescription written date or prescription origin  
20 code, and such errors shall not be subject to recoupment. The  
21 pharmacy shall have the right to submit amended claims  
22 electronically to correct clerical or record-keeping errors in lieu  
23 of recoupment. To the extent that an audit results in the  
24 identification of any clerical or record-keeping errors such as

1 typographical errors, scrivener's errors or computer errors in a  
2 required document or record, the pharmacy shall not be subject to  
3 recoupment of funds by the pharmacy benefits manager unless the  
4 pharmacy benefits manager can provide proof of intent to commit  
5 fraud. A person shall not be subject to criminal penalties for  
6 errors provided for in this paragraph without proof of intent to  
7 commit fraud;

8 6. Permit a pharmacy to use the records of a hospital,  
9 physician, or other authorized practitioner of the healing arts for  
10 drugs or medicinal supplies written or transmitted by any means of  
11 communication for purposes of validating the pharmacy record with  
12 respect to orders or refills of a legend or narcotic drug;

13 7. Permit a pharmacy to use drug purchase records without  
14 limitation of date or source to validate the dispensing of a  
15 prescription drug or a controlled dangerous substance, provided the  
16 drug purchase was done in accordance with state or federal law;

17 8. Not include the dispensing fee amount or the actual invoice  
18 cost of the prescription dispensed in a finding of an audit  
19 recoupment unless a prescription was not actually dispensed or a  
20 physician denied authorization of a dispensing order;

21 ~~8.~~ 9. Audit each pharmacy under identical standards, regularity  
22 and parameters as other similarly situated pharmacies and all  
23 pharmacies owned or managed by the pharmacy benefits manager  
24 conducting or having conducted the audit;

1       ~~9.~~ 10. Not exceed one (1) year from the date the claim was  
2 submitted to or adjudicated by a managed care company, nonprofit  
3 hospital or medical service organization, insurance company, third-  
4 party payor, pharmacy benefits manager, a health program  
5 administered by a department of this state, or any entity that  
6 represents the companies, groups, or departments for the period  
7 covered by an audit;

8       ~~10.~~ 11. Not schedule or initiate an audit during the first  
9 seven (7) calendar days of any month unless otherwise consented to  
10 by the pharmacy;

11       ~~11.~~ 12. Disclose to any plan sponsor whose claims were included  
12 in the audit any money recouped in the audit;

13       ~~12.~~ 13. Not require pharmacists to break open packaging labeled  
14 "for single-patient-use only". Packaging labeled "for single-  
15 patient-use only" shall be deemed to be the smallest package size  
16 available; and

17       ~~13.~~ 14. Upon recoupment of funds from a pharmacy, refund first  
18 to the patient the portion of the recovered funds that were  
19 originally paid by the patient, provided such funds were part of the  
20 recoupment.

21       B. 1. Any entity that conducts wholesale purchase review  
22 during an audit of a pharmacist or pharmacy shall not require the  
23 pharmacist or pharmacy to provide a full dispensing report.  
24 Wholesaler invoice reviews shall be limited to verification of

1 purchase inventory specific to the pharmacy claims paid by the  
2 health benefits plan or pharmacy benefits manager conducting the  
3 audit without limitation to date or source of purchase.

4 2. Any entity conducting an audit shall not identify or label a  
5 prescription claim as an audit discrepancy when:

6 a. the National Drug Code for the dispensed drug is in a  
7 quantity that is a subunit or multiple of the drug  
8 purchased by the pharmacist or pharmacy as supported  
9 by a wholesale invoice,

10 b. the pharmacist or pharmacy dispensed the correct  
11 quantity of the drug according to the prescription,  
12 and

13 c. the drug dispensed by the pharmacist or pharmacy  
14 shares all but the last two digits of the National  
15 Drug Code of the drug reflected on the supplier  
16 invoice.

17 3. An entity conducting an audit shall accept as evidence,  
18 without limitation to date or source of purchase, subject to  
19 validation, to support the validity of a pharmacy claim related to a  
20 dispensed drug:

21 a. redacted copies of supplier invoices in the  
22 pharmacist's or pharmacy's possession, or

23 b. invoices and any supporting documents from any  
24 supplier as authorized by federal or state law to

1 transfer ownership of the drug acquired by the  
2 pharmacist or pharmacy.

3 4. An entity conducting an audit shall provide, no later than  
4 five (5) calendar days after the date of a request by the pharmacist  
5 or pharmacy, all supporting documents the pharmacist's or pharmacy's  
6 purchase suppliers provided to the health benefits plan issuer or  
7 pharmacy benefits manager.

8 C. A pharmacy shall be allowed to provide the pharmacy's  
9 computerized patterned medical records or the records of a hospital,  
10 physician, or other authorized practitioner of the healing arts for  
11 drugs or medicinal supplies written or transmitted by any means of  
12 communication for purposes of supporting the pharmacy record with  
13 respect to orders or refills of a legend or narcotic drug.

14 D. The entity conducting the audit shall not audit more than  
15 fifty prescriptions, with specific date of service, per calendar  
16 year. The annual limit to the number of prescription claims audited  
17 shall be inclusive of all audits, including any prescription-related  
18 documentation requests from the health insurer, pharmacy benefits  
19 manager or any third-party company conducting audits on behalf of  
20 any health insurer or pharmacy benefits manager during a calendar  
21 year.

22 E. If paper copies of records are requested by the entity  
23 conducting the audit, the entity shall pay twenty-five cents (\$0.25)  
24 per page to cover the costs incurred by the pharmacy. The entity

1 conducting the audit shall provide the pharmacy with accurate  
2 instructions, including any required form for obtaining  
3 reimbursement for the copied records.

4 F. The entity conducting the audit shall:

5 1. Deliver a preliminary audit findings report to the pharmacy  
6 and the pharmacy's contracting agent within forty-five (45) calendar  
7 days of conducting the audit;

8 2. Allow the pharmacy at least ninety (90) calendar days  
9 following receipt of the preliminary audit findings report in which  
10 to produce documentation to address any discrepancy found during the  
11 audit; provided, however, a pharmacy may request an extension, not  
12 to exceed an additional forty-five (45) calendar days;

13 3. Deliver a final audit findings report to the pharmacy and  
14 the pharmacy's contracting agent signed by the auditor within ten  
15 (10) calendar days after receipt of additional documentation  
16 provided by the pharmacy, as provided for in Section 356.3 of this  
17 title;

18 4. Allow the pharmacy to reverse and resubmit claims  
19 electronically within thirty (30) calendar days of receipt of the  
20 final audit report in lieu of the auditing entity recouping  
21 discrepant claim amounts from the pharmacy;

22 5. Not recoup any disputed funds until after final disposition  
23 of the audit findings, including the appeals process as provided for  
24 in Section 356.3 of this title; and



1       6. Not accrue interest during the audit and appeal period.

2       G. Each entity conducting an audit shall provide a copy of the  
3 final audit results, and a final audit report upon request, after  
4 completion of any review process to the plan sponsor.

5       H. 1. The full amount of any recoupment on an audit shall be  
6 refunded to the plan sponsor. Except as provided for in paragraph 2  
7 of this subsection, a charge or assessment for an audit shall not be  
8 based, directly or indirectly, on amounts recouped.

9       2. This subsection does not prevent the entity conducting the  
10 audit from charging or assessing the responsible party, directly or  
11 indirectly, based on amounts recouped if both of the following  
12 conditions are met:

13           a. the plan sponsor and the entity conducting the audit  
14           have a contract that explicitly states the percentage  
15           charge or assessment to the plan sponsor, and

16           b. a commission to an agent or employee of the entity  
17           conducting the audit is not based, directly or  
18           indirectly, on amounts recouped.

19       I. Unless superseded by state or federal law, auditors shall  
20 only have access to previous audit reports on a particular pharmacy  
21 conducted by the auditing entity for the same pharmacy benefits  
22 manager, health plan or insurer. An auditing vendor contracting  
23 with multiple pharmacy benefits managers or health insurance plans  
24 shall not use audit reports or other information gained from an

1 audit on a pharmacy to conduct another audit for a different  
2 pharmacy benefits manager or health insurance plan.

3 J. Sections A through I of this section shall not apply to any  
4 audit initiated based on or that involves fraud, willful  
5 misrepresentation, or abuse.

6 K. If the Attorney General, after notice and opportunity for  
7 hearing, finds that the entity conducting the audit failed to follow  
8 any of the requirements pursuant to the Pharmacy Audit Integrity  
9 Act, the audit shall be considered null and void. Any monies  
10 recouped from a null and void audit shall be returned to the  
11 affected pharmacy within fourteen (14) calendar days. Any violation  
12 of this section by a pharmacy benefits manager or auditing entity  
13 shall be deemed a violation of the Pharmacy Audit Integrity Act.

14 SECTION 2. AMENDATORY 59 O.S. 2021, Section 357, as  
15 amended by Section 4, Chapter 332, O.S.L. 2024 (59 O.S. Supp. 2024,  
16 Section 357), is amended to read as follows:

17 Section 357. A. As used in Sections 357 through 360 of this  
18 title:

19 1. "Covered entity" means a nonprofit hospital or medical  
20 service organization, for-profit hospital or medical service  
21 organization, insurer, health benefit plan, health maintenance  
22 organization, health program administered by the state in the  
23 capacity of providing health coverage, or an employer, labor union,  
24 or other group of persons that provides health coverage to persons

1 in this state. This term does not include a health benefit plan  
2 that provides coverage only for accidental injury, specified  
3 disease, hospital indemnity, disability income, or other limited  
4 benefit health insurance policies and contracts that do not include  
5 prescription drug coverage;

6 2. "Covered individual" means a member, participant, enrollee,  
7 contract holder or policy holder or beneficiary of a covered entity  
8 who is provided health coverage by the covered entity. A covered  
9 individual includes any dependent or other person provided health  
10 coverage through a policy, contract or plan for a covered  
11 individual;

12 3. "Department" means the Insurance Department;

13 4. "Effective rate contracting" means any agreement or  
14 arrangement between a pharmacy or contracting agent acting on behalf  
15 of a pharmacy and a pharmacy benefits manager for pharmaceuticals  
16 based on the effective rate of payment rather than a predetermined  
17 fixed price or fixed discount percentage;

18 5. "Maximum allowable cost", "MAC", or "MAC list" means the  
19 list of drug products delineating the maximum per-unit reimbursement  
20 for multiple-source prescription drugs, medical product, or device;

21 ~~5.~~ 6. "Multisource drug product reimbursement" (reimbursement)  
22 means the total amount paid to a pharmacy inclusive of any reduction  
23 in payment to the pharmacy, excluding prescription dispense fees and  
24 professional fees;

~~6.~~ 7. "Office" means the Office of the Attorney General;

~~7.~~ 8. "Pharmacy benefits management" means a service provided to covered entities to facilitate the provision of prescription drug benefits to covered individuals within the state, including negotiating pricing and other terms with drug manufacturers and providers. Pharmacy benefits management may include any or all of the following services:

- a. claims processing, retail network management and payment of claims to pharmacies for prescription drugs dispensed to covered individuals,
- b. clinical formulary development and management services, or
- c. rebate contracting and administration;

~~8.~~ 9. "Pharmacy benefits manager" or "PBM" means a person, business, or other entity that performs pharmacy benefits management. The term shall include a person or entity acting on behalf of a PBM in a contractual or employment relationship in the performance of pharmacy benefits management for a managed care company, nonprofit hospital, medical service organization, insurance company, third-party payor, or a health program administered by an agency or department of this state;

~~9.~~ 10. "Plan sponsor" means the employers, insurance companies, unions and health maintenance organizations or any other entity

1 responsible for establishing, maintaining, or administering a health  
2 benefit plan on behalf of covered individuals; and

3 ~~10.~~ 11. "Provider" means a pharmacy licensed by the State Board  
4 of Pharmacy, or an agent or representative of a pharmacy, including,  
5 but not limited to, the pharmacy's contracting agent, which  
6 dispenses prescription drugs or devices to covered individuals.

7 B. Nothing in the definition of pharmacy benefits management or  
8 pharmacy benefits manager in the Patient's Right to Pharmacy Choice  
9 Act, Pharmacy Audit Integrity Act, or Sections 357 through 360 of  
10 this title shall deem an employer a "pharmacy benefits manager" of  
11 its own self-funded health benefit plan, except, to the extent  
12 permitted by applicable law, where the employer, without the  
13 utilization of a third party and unrelated to the employer's own  
14 pharmacy:

- 15 a. negotiates directly with drug manufacturers,
- 16 b. processes claims on behalf of its members, or
- 17 c. manages its own retail network of pharmacies.

18 SECTION 3. AMENDATORY 59 O.S. 2021, Section 360, as  
19 amended by Section 6, Chapter 332, O.S.L. 2024 (59 O.S. Supp. 2024,  
20 Section 360), is amended to read as follows:

21 Section 360. A. The pharmacy benefits manager shall, with  
22 respect to contracts between a pharmacy benefits manager and a  
23 provider, including a pharmacy service administrative organization:  
24

1        1. Include in such contracts the specific sources utilized to  
2 determine the maximum allowable cost (MAC) pricing of the pharmacy,  
3 update MAC pricing at least every seven (7) calendar days, and  
4 establish a process for providers to readily access the MAC list  
5 specific to that provider;

6        2. In order to place a drug on the MAC list, ensure that the  
7 drug is listed as "A" or "B" rated in the most recent version of the  
8 FDA's Approved Drug Products with Therapeutic Equivalence  
9 Evaluations, also known as the Orange Book, and the drug is  
10 generally available for purchase by pharmacies in the state from  
11 national or regional wholesalers and is not obsolete;

12        3. Ensure dispensing fees are not included in the calculation  
13 of MAC price reimbursement to pharmacy providers;

14        4. Provide a reasonable administration appeals procedure to  
15 allow a provider, a provider's representative and a pharmacy service  
16 administrative organization to contest reimbursement amounts within  
17 fourteen (14) calendar days of the final adjusted payment date. The  
18 pharmacy benefits manager shall not prevent the pharmacy or the  
19 pharmacy service administrative organization from filing  
20 reimbursement appeals in an electronic batch format. The pharmacy  
21 benefits manager must respond to a provider, a provider's  
22 representative and a pharmacy service administrative organization  
23 who have contested a reimbursement amount through this procedure  
24 within ten (10) calendar days. The pharmacy benefits manager must

1 respond in an electronic batch format to reimbursement appeals filed  
2 in an electronic batch format. The pharmacy benefits manager shall  
3 not require a pharmacy or pharmacy services administrative  
4 organization to log into a system to upload individual claim appeals  
5 or to download individual appeal responses. If a price update is  
6 warranted, the pharmacy benefits manager shall make the change in  
7 the reimbursement amount, permit the dispensing pharmacy to reverse  
8 and rebill the claim in question, and make the reimbursement amount  
9 change retroactive and effective for all contracted providers; and

10 5. If a below-cost reimbursement appeal is denied, the PBM  
11 shall provide the reason for the denial, including the National Drug  
12 Code (NDC) number from, and the name of, the specific national or  
13 regional wholesalers doing business in this state where the drug is  
14 currently in stock and available for purchase by the dispensing  
15 pharmacy at a price below the PBM's reimbursement price. If the NDC  
16 number provided by the pharmacy benefits manager is not available  
17 below the acquisition cost obtained from the pharmaceutical  
18 wholesaler from whom the dispensing pharmacy purchases the majority  
19 of the prescription drugs that are dispensed, the pharmacy benefits  
20 manager shall immediately adjust the reimbursement amount, permit  
21 the dispensing pharmacy to reverse and rebill the claim in question,  
22 and make the reimbursement amount adjustment retroactive and  
23 effective in effect for all contracted providers for future claims  
24 billed.

1 B. The reimbursement appeal requirements in this section shall  
2 apply to all drugs, medical products, or devices reimbursed  
3 according to any payment methodology, including, but not limited to:

4 1. Average acquisition cost, including the National Average  
5 Drug Acquisition Cost;

6 2. Average manufacturer price;

7 3. Average wholesale price;

8 4. Brand effective rate or generic effective rate;

9 5. Discount indexing;

10 6. Federal upper limits;

11 7. Wholesale acquisition cost; and

12 8. Any other term that a pharmacy benefits manager or an  
13 insurer of a health benefit plan may use to establish reimbursement  
14 rates to a pharmacist or pharmacy for pharmacist services.

15 C. The pharmacy benefits manager shall not place a drug on a  
16 MAC list, unless there are at least two therapeutically equivalent,  
17 multiple-source drugs, generally available for purchase by  
18 dispensing retail pharmacies from national or regional wholesalers.

19 D. In the event that a drug is placed on the FDA Drug Shortages  
20 Database, pharmacy benefits managers shall reimburse claims to  
21 pharmacies at no less than the wholesale acquisition cost for the  
22 specific NDC number being dispensed.

23 E. The pharmacy benefits manager shall not require  
24 accreditation or licensing of providers, or any entity licensed or



1 regulated by the State Board of Pharmacy, other than by the State  
2 Board of Pharmacy or federal government entity as a condition for  
3 participation as a network provider.

4 F. A pharmacy or pharmacist may decline to provide the  
5 pharmacist clinical or dispensing services to a patient or pharmacy  
6 benefits manager if the pharmacy or pharmacist is to be paid less  
7 than the pharmacy's cost for providing the pharmacist clinical or  
8 dispensing services.

9 G. The pharmacy benefits manager shall provide a dedicated  
10 telephone number, email address and names of the personnel with  
11 decision-making authority regarding MAC appeals and pricing.

12 H. Any pharmacy benefits manager (PBM) that leases, rents, or  
13 otherwise makes its provider network or contracts available to  
14 another pharmacy benefits manager shall:

15 1. Provide notice to all contracted providers of the lease  
16 arrangement and the responsibilities of each party involved; and

17 2. Provide contact information in each paid or rejected claim  
18 response that notifies the provider which contract the claim is  
19 adjudicating against, who is processing the claim, and a phone  
20 number to address provider issues; and

21 3. Transmit the network reimbursement identification  
22 information with each claim response in NCPDP field 545-2F.

23 I. Any pharmacy benefits manager (PBM) that leases, rents, or  
24 otherwise makes its provider network or contracts available to

1 another pharmacy benefits manager shall not combine any Employee  
2 Retirement Income Security Act (ERISA) or government plans with any  
3 non-ERISA or nongovernment plans.

4 J. 1. Effective rate contracting is hereby prohibited in all  
5 agreements between pharmacies or contracting agents acting on behalf  
6 of a pharmacy and a PBM or third-party payors. No PBM or third-  
7 party payor shall enter into any contract that establishes payment  
8 for services or medications based on an effective rate of  
9 reimbursement.

10 2. Any PBM or third-party payor found to be in violation of  
11 this section shall be subject to penalties, including, but not  
12 limited to, fines, revocation of licensure, or other disciplinary  
13 actions.

14 K. The provisions of this section shall not be waived, voided,  
15 or nullified by contract.

16 SECTION 4. This act shall become effective November 1, 2025."  
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1 Passed the House of Representatives the 7th day of May, 2025.

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4 Presiding Officer of the House of  
Representatives  
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6 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2025.

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9 Presiding Officer of the Senate  
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1 ENGROSSED SENATE  
2 BILL NO. 789

By: Gollihare, Coleman, Alvord,  
Jech, Murdock, Guthrie,  
Bullard, Standridge,  
Weaver, Pugh, Pederson,  
Hamilton, Deevers, Paxton,  
Prieto, Kern, Boren, Burns,  
Stewart, Stanley, Haste,  
Seifried, McIntosh, Kirt,  
Brooks, Hines, Sacchieri,  
Goodwin, Reinhardt, Hall,  
Gillespie, and Bergstrom of  
the Senate

8 and

9 Stinson, Marti, and Moore  
10 of the House

11  
12 [ pharmacy benefit managers - pharmacy audit -  
13 records - network sharing - reimbursement rates - fee  
14 increase - contracts - penalties - effective date ]  
15

16 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

17 SECTION 5. AMENDATORY 59 O.S. 2021, Section 356.2, as  
18 amended by Section 2, Chapter 332, O.S.L. 2024 (59 O.S. Supp. 2024,  
19 Section 356.2), is amended to read as follows:

20 Section 356.2. A. The entity conducting an audit of a pharmacy  
21 shall:

22 1. Identify and specifically describe the audit and appeal  
23 procedures in the pharmacy contract. Prescription claim  
24 documentation and record-keeping requirements shall not exceed the

1 requirements set forth by the Oklahoma Pharmacy Act or other  
2 applicable state or federal laws or regulations;

3 2. Give the pharmacy written notice by certified letter to the  
4 pharmacy and the pharmacy's contracting agent, including  
5 identification of specific prescription numbers and fill dates to be  
6 audited, at least fourteen (14) calendar days prior to conducting  
7 the audit, including, but not limited to, an on-site audit, a desk  
8 audit, or a wholesale purchase audit, request for documentation  
9 related to the dispensing of a prescription drug or any reimbursed  
10 activity by a pharmacy provider; provided, however, that wholesale  
11 purchase audits shall require a minimum of thirty (30) calendar  
12 days' written notice. For an on-site audit, the audit date shall be  
13 the date the on-site audit occurs. For all other audit types, the  
14 audit date shall be the date the pharmacy provides the documentation  
15 requested in the audit notice. The pharmacy shall have the  
16 opportunity to reschedule the audit no more than seven (7) calendar  
17 days from the date designated on the original audit notification;

18 3. Not interfere with the delivery of pharmacist services to a  
19 patient and shall utilize every reasonable effort to minimize  
20 inconvenience and disruption to pharmacy operations during the audit  
21 process;

22 4. Conduct any audit involving clinical or professional  
23 judgment by means of or in consultation with a licensed pharmacist;  
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1        5. Not consider as fraud any clerical or record-keeping error,  
2 such as a typographical error, scrivener's error or computer error,  
3 including, but not limited to, a miscalculated day supply,  
4 incorrectly billed prescription written date or prescription origin  
5 code, and such errors shall not be subject to recoupment. The  
6 pharmacy shall have the right to submit amended claims  
7 electronically to correct clerical or record-keeping errors in lieu  
8 of recoupment. To the extent that an audit results in the  
9 identification of any clerical or record-keeping errors such as  
10 typographical errors, scrivener's errors or computer errors in a  
11 required document or record, the pharmacy shall not be subject to  
12 recoupment of funds by the pharmacy benefits manager unless the  
13 pharmacy benefits manager can provide proof of intent to commit  
14 fraud. A person shall not be subject to criminal penalties for  
15 errors provided for in this paragraph without proof of intent to  
16 commit fraud;

17        6. Permit a pharmacy to use the records of a hospital,  
18 physician, or other authorized practitioner of the healing arts for  
19 drugs or medicinal supplies written or transmitted by any means of  
20 communication for purposes of validating the pharmacy record with  
21 respect to orders or refills of a legend or narcotic drug;

22        7. Permit a pharmacy to use drug purchase records without  
23 limitation of date or source to validate the dispensing of a  
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1 prescription drug or a controlled dangerous substance, provided the  
2 drug purchase was done in accordance with state or federal law;

3 8. Not include the dispensing fee amount or the actual invoice  
4 cost of the prescription dispensed in a finding of an audit  
5 recoupment unless a prescription was not actually dispensed or a  
6 physician denied authorization of a dispensing order;

7 ~~8.~~ 9. Audit each pharmacy under identical standards, regularity  
8 and parameters as other similarly situated pharmacies and all  
9 pharmacies owned or managed by the pharmacy benefits manager  
10 conducting or having conducted the audit;

11 ~~9.~~ 10. Not exceed one (1) year from the date the claim was  
12 submitted to or adjudicated by a managed care company, nonprofit  
13 hospital or medical service organization, insurance company, third-  
14 party payor, pharmacy benefits manager, a health program  
15 administered by a department of this state, or any entity that  
16 represents the companies, groups, or departments for the period  
17 covered by an audit;

18 ~~10.~~ 11. Not schedule or initiate an audit during the first  
19 seven (7) calendar days of any month unless otherwise consented to  
20 by the pharmacy;

21 ~~11.~~ 12. Disclose to any plan sponsor whose claims were included  
22 in the audit any money recouped in the audit;

23 ~~12.~~ 13. Not require pharmacists to break open packaging labeled  
24 "for single-patient-use only". Packaging labeled "for single-

1 patient-use only" shall be deemed to be the smallest package size  
2 available; and

3 ~~13.~~ 14. Upon recoupment of funds from a pharmacy, refund first  
4 to the patient the portion of the recovered funds that were  
5 originally paid by the patient, provided such funds were part of the  
6 recoupment.

7 B. 1. Any entity that conducts wholesale purchase review  
8 during an audit of a pharmacist or pharmacy shall not require the  
9 pharmacist or pharmacy to provide a full dispensing report.

10 Wholesaler invoice reviews shall be limited to verification of  
11 purchase inventory specific to the pharmacy claims paid by the  
12 health benefits plan or pharmacy benefits manager conducting the  
13 audit without limitation to date or source of purchase.

14 2. Any entity conducting an audit shall not identify or label a  
15 prescription claim as an audit discrepancy when:

16 a. the National Drug Code for the dispensed drug is in a  
17 quantity that is a subunit or multiple of the drug  
18 purchased by the pharmacist or pharmacy as supported  
19 by a wholesale invoice,

20 b. the pharmacist or pharmacy dispensed the correct  
21 quantity of the drug according to the prescription,  
22 and

23 c. the drug dispensed by the pharmacist or pharmacy  
24 shares all but the last two digits of the National



1 Drug Code of the drug reflected on the supplier  
2 invoice.

3 3. An entity conducting an audit shall accept as evidence,  
4 without limitation on date or source of purchase subject to  
5 validation, to support the validity of a pharmacy claim related to a  
6 dispensed drug:

- 7 a. redacted copies of supplier invoices in the  
8 pharmacist's or pharmacy's possession, or  
9 b. invoices and any supporting documents from any  
10 supplier as authorized by federal or state law to  
11 transfer ownership of the drug acquired by the  
12 pharmacist or pharmacy.

13 4. An entity conducting an audit shall provide, no later than  
14 five (5) calendar days after the date of a request by the pharmacist  
15 or pharmacy, all supporting documents the pharmacist's or pharmacy's  
16 purchase suppliers provided to the health benefits plan issuer or  
17 pharmacy benefits manager.

18 C. A pharmacy shall be allowed to provide the pharmacy's  
19 computerized patterned medical records or the records of a hospital,  
20 physician, or other authorized practitioner of the healing arts for  
21 drugs or medicinal supplies written or transmitted by any means of  
22 communication for purposes of supporting the pharmacy record with  
23 respect to orders or refills of a legend or narcotic drug.

1 D. The entity conducting the audit shall not audit more than  
2 fifty prescriptions, with specific date of service, per calendar  
3 year. The annual limit to the number of prescription claims audited  
4 shall be inclusive of all audits, including any prescription-related  
5 documentation requests from the health insurer, pharmacy benefits  
6 manager or any third-party company conducting audits on behalf of  
7 any health insurer or pharmacy benefits manager during a calendar  
8 year.

9 E. If paper copies of records are requested by the entity  
10 conducting the audit, the entity shall pay twenty-five cents (\$0.25)  
11 per page to cover the costs incurred by the pharmacy. The entity  
12 conducting the audit shall provide the pharmacy with accurate  
13 instructions, including any required form for obtaining  
14 reimbursement for the copied records.

15 F. The entity conducting the audit shall:

16 1. Deliver a preliminary audit findings report to the pharmacy  
17 and the pharmacy's contracting agent within forty-five (45) calendar  
18 days of conducting the audit;

19 2. Allow the pharmacy at least ninety (90) calendar days  
20 following receipt of the preliminary audit findings report in which  
21 to produce documentation to address any discrepancy found during the  
22 audit; provided, however, a pharmacy may request an extension, not  
23 to exceed an additional forty-five (45) calendar days;

1        3. Deliver a final audit findings report to the pharmacy and  
2 the pharmacy's contracting agent signed by the auditor within ten  
3 (10) calendar days after receipt of additional documentation  
4 provided by the pharmacy, as provided for in Section 356.3 of this  
5 title;

6        4. Allow the pharmacy to reverse and resubmit claims  
7 electronically within thirty (30) calendar days of receipt of the  
8 final audit report in lieu of the auditing entity recouping  
9 discrepant claim amounts from the pharmacy;

10       5. Not recoup any disputed funds until after final disposition  
11 of the audit findings, including the appeals process as provided for  
12 in Section 356.3 of this title; and

13       6. Not accrue interest during the audit and appeal period.

14       G. Each entity conducting an audit shall provide a copy of the  
15 final audit results, and a final audit report upon request, after  
16 completion of any review process to the plan sponsor.

17       H. 1. The full amount of any recoupment on an audit shall be  
18 refunded to the plan sponsor. Except as provided for in paragraph 2  
19 of this subsection, a charge or assessment for an audit shall not be  
20 based, directly or indirectly, on amounts recouped.

21       2. This subsection does not prevent the entity conducting the  
22 audit from charging or assessing the responsible party, directly or  
23 indirectly, based on amounts recouped if both of the following  
24 conditions are met:

- 1           a.    the plan sponsor and the entity conducting the audit  
2                have a contract that explicitly states the percentage  
3                charge or assessment to the plan sponsor, and  
4           b.    a commission to an agent or employee of the entity  
5                conducting the audit is not based, directly or  
6                indirectly, on amounts recouped.

7           I.    Unless superseded by state or federal law, auditors shall  
8   only have access to previous audit reports on a particular pharmacy  
9   conducted by the auditing entity for the same pharmacy benefits  
10   manager, health plan or insurer. An auditing vendor contracting  
11   with multiple pharmacy benefits managers or health insurance plans  
12   shall not use audit reports or other information gained from an  
13   audit on a pharmacy to conduct another audit for a different  
14   pharmacy benefits manager or health insurance plan.

15           ~~J.   Sections A through I of this section shall not apply to any~~  
16   ~~audit initiated based on or that involves fraud, willful~~  
17   ~~misrepresentation, or abuse.~~

18           ~~K.~~   If the Attorney General, after notice and opportunity for  
19   hearing, finds that the entity conducting the audit failed to follow  
20   any of the requirements pursuant to the Pharmacy Audit Integrity  
21   Act, the audit shall be considered null and void. Any monies  
22   recouped from a null and void audit shall be returned to the  
23   affected pharmacy within fourteen (14) calendar days. Any violation  
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1 of this section by a pharmacy benefits manager or auditing entity  
2 shall be deemed a violation of the Pharmacy Audit Integrity Act.

3 SECTION 6. AMENDATORY 59 O.S. 2021, Section 357, as  
4 amended by Section 4, Chapter 332, O.S.L. 2024 (59 O.S. Supp. 2024,  
5 Section 357), is amended to read as follows:

6 Section 357. A. As used in Sections 357 through 360 of this  
7 title:

8 1. "Covered entity" means a nonprofit hospital or medical  
9 service organization, for-profit hospital or medical service  
10 organization, insurer, health benefit plan, health maintenance  
11 organization, health program administered by the state in the  
12 capacity of providing health coverage, or an employer, labor union,  
13 or other group of persons that provides health coverage to persons  
14 in this state. This term does not include a health benefit plan  
15 that provides coverage only for accidental injury, specified  
16 disease, hospital indemnity, disability income, or other limited  
17 benefit health insurance policies and contracts that do not include  
18 prescription drug coverage;

19 2. "Covered individual" means a member, participant, enrollee,  
20 contract holder or policy holder or beneficiary of a covered entity  
21 who is provided health coverage by the covered entity. A covered  
22 individual includes any dependent or other person provided health  
23 coverage through a policy, contract or plan for a covered  
24 individual;

1        3. "Department" means the Insurance Department;

2        4. "Effective rate contracting" means any agreement or  
3 arrangement between a pharmacy or contracting agent acting on behalf  
4 of a pharmacy and a pharmacy benefits manager for pharmaceuticals  
5 based on the effective rate of payment rather than a predetermined  
6 fixed price or fixed discount percentage;

7        5. "Maximum allowable cost", "MAC", or "MAC list" means the  
8 list of drug products delineating the maximum per-unit reimbursement  
9 for multiple-source prescription drugs, medical product, or device;

10       ~~5.~~ 6. "Multisource drug product reimbursement" (reimbursement)  
11 means the total amount paid to a pharmacy inclusive of any reduction  
12 in payment to the pharmacy, excluding prescription dispense fees and  
13 professional fees;

14       ~~6.~~ 7. "Office" means the Office of the Attorney General;

15       ~~7.~~ 8. "Pharmacy benefits management" means a service provided  
16 to covered entities to facilitate the provision of prescription drug  
17 benefits to covered individuals within the state, including  
18 negotiating pricing and other terms with drug manufacturers and  
19 providers. Pharmacy benefits management may include any or all of  
20 the following services:

- 21           a. claims processing, retail network management and  
22           payment of claims to pharmacies for prescription drugs  
23           dispensed to covered individuals,

1           b.     clinical formulary development and management  
2                    services, or

3           c.     rebate contracting and administration;

4       ~~8.~~ 9.    "Pharmacy benefits manager" or "PBM" means a person,  
5 business, or other entity that performs pharmacy benefits  
6 management. The term shall include a person or entity acting on  
7 behalf of a PBM in a contractual or employment relationship in the  
8 performance of pharmacy benefits management for a managed care  
9 company, nonprofit hospital, medical service organization, insurance  
10 company, third-party payor, or a health program administered by an  
11 agency or department of this state;

12       ~~9.~~ 10. "Plan sponsor" means the employers, insurance companies,  
13 unions and health maintenance organizations or any other entity  
14 responsible for establishing, maintaining, or administering a health  
15 benefit plan on behalf of covered individuals; and

16       ~~10.~~ 11. "Provider" means a pharmacy licensed by the State Board  
17 of Pharmacy, or an agent or representative of a pharmacy, including,  
18 but not limited to, the pharmacy's contracting agent, which  
19 dispenses prescription drugs or devices to covered individuals.

20       B. Nothing in the definition of pharmacy benefits management or  
21 pharmacy benefits manager in the Patient's Right to Pharmacy Choice  
22 Act, Pharmacy Audit Integrity Act, or Sections 357 through 360 of  
23 this title shall deem an employer a "pharmacy benefits manager" of  
24 its own self-funded health benefit plan, except, to the extent

1 permitted by applicable law, where the employer, without the  
2 utilization of a third party and unrelated to the employer's own  
3 pharmacy:

- 4 a. negotiates directly with drug manufacturers,
- 5 b. processes claims on behalf of its members, or
- 6 c. manages its own retail network of pharmacies.

7 SECTION 7. AMENDATORY 59 O.S. 2021, Section 360, as  
8 amended by Section 6, Chapter 332, O.S.L. 2024 (59 O.S. Supp. 2024,  
9 Section 360), is amended to read as follows:

10 Section 360. A. The pharmacy benefits manager shall, with  
11 respect to contracts between a pharmacy benefits manager and a  
12 provider, including a pharmacy service administrative organization:

13 1. Include in such contracts the specific sources utilized to  
14 determine the maximum allowable cost (MAC) pricing of the pharmacy,  
15 update MAC pricing at least every seven (7) calendar days, and  
16 establish a process for providers to readily access the MAC list  
17 specific to that provider;

18 2. In order to place a drug on the MAC list, ensure that the  
19 drug is listed as "A" or "B" rated in the most recent version of the  
20 FDA's Approved Drug Products with Therapeutic Equivalence  
21 Evaluations, also known as the Orange Book, and the drug is  
22 generally available for purchase by pharmacies in the state from  
23 national or regional wholesalers and is not obsolete;



1        3. Ensure dispensing fees are not included in the calculation  
2 of MAC price reimbursement to pharmacy providers;

3        4. Provide a reasonable administration appeals procedure to  
4 allow a provider, a provider's representative and a pharmacy service  
5 administrative organization to contest reimbursement amounts within  
6 fourteen (14) calendar days of the final adjusted payment date. The  
7 pharmacy benefits manager shall not prevent the pharmacy or the  
8 pharmacy service administrative organization from filing  
9 reimbursement appeals in an electronic batch format. The pharmacy  
10 benefits manager must respond to a provider, a provider's  
11 representative and a pharmacy service administrative organization  
12 who have contested a reimbursement amount through this procedure  
13 within ten (10) calendar days. The pharmacy benefits manager must  
14 respond in an electronic batch format to reimbursement appeals filed  
15 in an electronic batch format. The pharmacy benefits manager shall  
16 not require a pharmacy or pharmacy services administrative  
17 organization to log into a system to upload individual claim appeals  
18 or to download individual appeal responses. If a price update is  
19 warranted, the pharmacy benefits manager shall make the change in  
20 the reimbursement amount, permit the dispensing pharmacy to reverse  
21 and rebill the claim in question, and make the reimbursement amount  
22 change retroactive and effective for all contracted providers; and

23        5. If a below-cost reimbursement appeal is denied, the PBM  
24 shall provide the reason for the denial, including the National Drug

1 Code (NDC) number from, and the name of, the specific national or  
2 regional wholesalers doing business in this state where the drug is  
3 currently in stock and available for purchase by the dispensing  
4 pharmacy at a price below the PBM's reimbursement price. If the NDC  
5 number provided by the pharmacy benefits manager is not available  
6 below the acquisition cost obtained from the pharmaceutical  
7 wholesaler from whom the dispensing pharmacy purchases the majority  
8 of the prescription drugs that are dispensed, the pharmacy benefits  
9 manager shall immediately adjust the reimbursement amount, permit  
10 the dispensing pharmacy to reverse and rebill the claim in question,  
11 and make the reimbursement amount adjustment retroactive and  
12 ~~effective~~ in effect for all contracted providers for future claims  
13 billed.

14 B. The reimbursement appeal requirements in this section shall  
15 apply to all drugs, medical products, or devices reimbursed  
16 according to any payment methodology, including, but not limited to:

- 17 1. Average acquisition cost, including the National Average  
18 Drug Acquisition Cost;
- 19 2. Average manufacturer price;
- 20 3. Average wholesale price;
- 21 4. Brand effective rate or generic effective rate;
- 22 5. Discount indexing;
- 23 6. Federal upper limits;
- 24 7. Wholesale acquisition cost; and

1        8. Any other term that a pharmacy benefits manager or an  
2 insurer of a health benefit plan may use to establish reimbursement  
3 rates to a pharmacist or pharmacy for pharmacist services.

4        C. The pharmacy benefits manager shall not place a drug on a  
5 MAC list, unless there are at least two therapeutically equivalent,  
6 multiple-source drugs, generally available for purchase by  
7 dispensing retail pharmacies from national or regional wholesalers.

8        D. In the event that a drug is placed on the FDA Drug Shortages  
9 Database, pharmacy benefits managers shall reimburse claims to  
10 pharmacies at no less than the wholesale acquisition cost for the  
11 specific NDC number being dispensed.

12       E. The pharmacy benefits manager shall not require  
13 accreditation or licensing of providers, or any entity licensed or  
14 regulated by the State Board of Pharmacy, other than by the State  
15 Board of Pharmacy or federal government entity as a condition for  
16 participation as a network provider.

17       F. A pharmacy or pharmacist may decline to provide the  
18 pharmacist clinical or dispensing services to a patient or pharmacy  
19 benefits manager if the pharmacy or pharmacist is to be paid less  
20 than the pharmacy's cost for providing the pharmacist clinical or  
21 dispensing services.

22       G. The pharmacy benefits manager shall provide a dedicated  
23 telephone number, email address and names of the personnel with  
24 decision-making authority regarding MAC appeals and pricing.

1       H. No pharmacy benefits manager (PBM) shall lease, rent, or  
2 otherwise make its provider network available to another pharmacy  
3 benefits manager. Prohibited activities shall include, but not be  
4 limited to:

5       1. Entering into agreements or contracts that allow another PBM  
6 to use the provider network; and

7       2. Facilitating access to the provider network through any form  
8 of leasing or renting arrangement.

9       I. The PBM shall, with respect to contracts between a PBM and a  
10 provider, including contracts with pharmacy service administrative  
11 organization, ensure that reimbursement to pharmacies for each drug  
12 dispensed is no less than one hundred six percent (106%) of the  
13 National Average Drug Acquisition Cost (NADAC) plus a professional  
14 fee of Fifteen Dollars (\$15.00). The NADAC price shall be the price  
15 published in effect for the date the drug claim was billed by the  
16 pharmacy. If a particular drug does not have a published NADAC  
17 price, the reimbursement shall be one hundred ten percent (110%) of  
18 the wholesale acquisition cost (WAC) plus a professional fee of  
19 Fifteen Dollars (\$15.00) for generic drugs and one hundred (100%)  
20 percent of the WAC plus a professional fee of Fifteen Dollars  
21 (\$15.00) for brand-name drugs. The professional fee shall  
22 automatically increase on January 1 of each year at a percentage  
23 equal to the inflation rate measured by the Consumer Price Index for  
24 the previous twelve-month period.

J. 1. Effective rate contracting is hereby prohibited in all agreements between pharmacies or contracting agents acting on behalf of a pharmacy and a PBM or third-party payers. No PBM or third-party payer shall enter into any contract that establishes payment for services or medications based on an effective rate of reimbursement.

2. Any PBM or third-party payer found to be in violation of this section shall be subject to penalties, including, but not limited to, fines, revocation of licensure, or other disciplinary actions.

K. The provisions of this section shall not be waived, voided,  
or nullified by contract.

SECTION 8. This act shall become effective November 1, 2025.

Passed the Senate the 27th day of March, 2025.

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Presiding Officer of the Senate

Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
2025.

Presiding Officer of the House  
of Representatives