

**As Introduced**

**136th General Assembly  
Regular Session  
2025-2026**

**H. B. No. 229**

**Representative Deeter**

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To amend section 3959.01 and to enact sections 1  
3957.01, 3957.02, 3957.03, 3957.04, 3957.05, 2  
3957.06, 3957.07, 3957.08, 3957.09, 3957.10, 3  
3957.11, 3957.12, 3957.13, 3957.14, 3957.15, 4  
3957.16, 3957.17, and 3957.99 of the Revised 5  
Code to establish a stand-alone licensing 6  
process and new contractual requirements for 7  
pharmacy benefit managers. 8

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

**Section 1.** That section 3959.01 be amended and sections 9  
3957.01, 3957.02, 3957.03, 3957.04, 3957.05, 3957.06, 3957.07, 10  
3957.08, 3957.09, 3957.10, 3957.11, 3957.12, 3957.13, 3957.14, 11  
3957.15, 3957.16, 3957.17, and 3957.99 of the Revised Code be 12  
enacted to read as follows: 13

**Sec. 3957.01.** As used in this chapter: 14

(A) "Claims processing services" means administrative 15  
services performed in connection with processing and 16  
adjudicating claims relating to pharmacist services, including 17  
both of the following: 18

(1) Receiving payments for pharmacist services; 19

(2) Making payments to pharmacists or pharmacies for 20

pharmacist services. 21

(B) "Contracted pharmacy" or "pharmacy" means a pharmacy, 22  
as defined in section 4729.01 of the Revised Code, located in 23  
this state and participating in either the network of a pharmacy 24  
benefit manager or in a health care or pharmacy benefit plan 25  
through a direct contract or through a contract with a pharmacy 26  
services administration organization, group purchasing 27  
organization, or another contracting agent. 28

(C) "Other prescription drug or device services" means 29  
services other than claims processing services, provided 30  
directly or indirectly, whether in connection with or separate 31  
from claims processing services, including all of the following: 32

(1) Negotiating rebates, discounts, or other financial 33  
incentives and arrangements with drug companies; 34

(2) Disbursing or distributing rebates; 35

(3) Managing or participating in incentive programs or 36  
arrangements for pharmacist services; 37

(4) Negotiating or entering into contractual arrangements 38  
with pharmacists or pharmacies, or both; 39

(5) Developing formularies; 40

(6) Designing prescription benefit programs; 41

(7) Advertising or promoting services. 42

(D) "Pharmacist" means an individual licensed to engage in 43  
the practice of pharmacy, as defined in section 4729.01 of the 44  
Revised Code. 45

(E) "Pharmacy benefit manager affiliate" means a pharmacy 46  
or pharmacist that directly or indirectly, through one or more 47

intermediaries, owns or controls, is owned or controlled by, or 48  
is under common ownership or control with a pharmacy benefit 49  
manager. 50

(F) "Pharmacy services administrative organization" means 51  
an organization that helps community pharmacies and pharmacy 52  
benefit managers or third-party payers achieve administrative 53  
efficiencies, including contracting and payment efficiencies. 54

(G) (1) "Rebate" means a discount or other price 55  
concession, or a payment that is both of the following: 56

(a) Based on utilization of a prescription drug; 57

(b) Paid by a manufacturer or third party, directly or 58  
indirectly, to a pharmacy benefit manager, pharmacy services 59  
administrative organization, or pharmacy after a claim has been 60  
processed and paid at a pharmacy. 61

(2) "Rebate" includes all of the following: 62

(a) Incentives, disbursements, and reasonable estimates of 63  
a volume-based discount; 64

(b) Incentives or credits regardless of categorization, 65  
market share incentives, promotional allowances, commissions, 66  
educational grants, market share of utilization, drug pull- 67  
through programs, implementation allowances, clinical detailing, 68  
rebate submission fees, and administrative or management fees; 69

(c) Bona fide fees, including manufacturer administrative 70  
fees or corporate fees that any vendor, affiliate, or 71  
subcontractor, including any group purchasing organization, 72  
receives from a pharmaceutical manufacturer for administrative 73  
costs including formulary placement and access. 74

(3) "Rebate" does not include pharmacy purchase discounts 75

and related service fees a vendor or a vendor's affiliates 76  
receive from a manufacturer or third party that are attributable 77  
to or based on the purchase of product to stock, or the 78  
dispensing of products from, a vendor's affiliated mail order 79  
and specialty drug pharmacies. 80

(H) "Subject to this chapter" means, in the context of an 81  
agreement involving a pharmacy benefit manager, that the 82  
agreement is entered into, amended, or renewed on or after 83  
January 1, 2027. 84

(I) "Third-party payer" has the same meaning as in section 85  
3901.38 of the Revised Code, except that the term does not 86  
include a pharmacy benefit manager subject to this chapter. 87

(J) "Drug product reimbursement," "fiduciary," "fiscal 88  
year," "insurer," "pharmacy benefit manager," "plan," "plan 89  
sponsor," and "self-insurance program" have the same meanings as 90  
in section 3959.01 of the Revised Code. 91

**Sec. 3957.02.** The superintendent of insurance shall 92  
establish by rule, adopted in accordance with Chapter 119. of 93  
the Revised Code, and administer a process for licensing 94  
pharmacy benefit managers in this state. 95

**Sec. 3957.03.** (A) On and after January 1, 2027, no person 96  
shall knowingly solicit a plan or sponsor of a plan that is 97  
domiciled in this state or has its principal headquarters or 98  
principal administrative office in this state to act as a 99  
pharmacy benefit manager for the plan or plan sponsor unless the 100  
person is licensed under this chapter. 101

(B) No person shall knowingly provide pharmacy benefit 102  
management services pursuant to an agreement subject to this 103  
chapter unless the person is licensed under this chapter. 104

Sec. 3957.04. (A) A person that seeks to be licensed as a 105  
pharmacy benefit manager shall file an application with the 106  
superintendent of insurance in the form and manner prescribed by 107  
the superintendent. 108

(B) All applications for a pharmacy benefit manager 109  
license shall be accompanied by a nonrefundable filing fee of 110  
two thousand dollars per application. 111

(C) All fees collected under this section and section 112  
3957.08 of the Revised Code shall be paid into the state 113  
treasury to the credit of the department of insurance operating 114  
fund created under section 3901.021 of the Revised Code. 115

Sec. 3957.05. The superintendent of insurance shall 116  
approve or deny an application for a license under this chapter 117  
within thirty days after receipt. 118

Sec. 3957.06. Within thirty days after denying an 119  
application for a license under this chapter, the superintendent 120  
of insurance shall notify the applicant of the denial and the 121  
reasons for the denial. The superintendent shall include a 122  
statement in the notice advising that the applicant is entitled 123  
to a hearing, in accordance with Chapter 119. of the Revised 124  
Code, if the applicant requests such a hearing within thirty 125  
days after the notice is sent. 126

Sec. 3957.07. Upon approving an application for a license 127  
under this chapter and receiving payment of the associated 128  
filing fee, the superintendent of insurance shall grant the 129  
applicant a license and issue a certificate of authority to 130  
operate as a pharmacy benefit manager in this state. The license 131  
is effective on the date the application is approved by the 132  
superintendent and expires annually on the thirtieth day of 133

June. If the application is approved in May or June, the license 134  
expires on the thirtieth day of June the following year. All 135  
licenses may be renewed, annually, in accordance with section 136  
3957.08 of the Revised Code. 137

**Sec. 3957.08.** (A) The superintendent of insurance shall 138  
provide a renewal notice to each person licensed under this 139  
chapter not later than the first day of May each year. 140

(B) A person licensed under this chapter may renew the 141  
license by applying to the superintendent, in the form and 142  
manner prescribed by the superintendent, and paying a renewal 143  
fee of three thousand dollars before the date the license 144  
expires. 145

(C) In the event that a person licensed under this chapter 146  
fails to apply for renewal and pay the renewal fee before the 147  
date the license expires, the superintendent shall cancel the 148  
person's certificate of authority to operate as a pharmacy 149  
benefit manager in this state. A person whose license is expired 150  
may apply to reinstate the license in the same manner as an 151  
original application under section 3957.04 of the Revised Code, 152  
except that the filing fee is the product of two hundred fifty 153  
dollars times the number of months the reinstated license will 154  
be in effect. 155

**Sec. 3957.09.** (A) Except as otherwise provided in division 156  
(G) of this section, no person shall act as a pharmacy benefit 157  
manager on or after January 1, 2027, without first entering into 158  
a written agreement with a plan sponsor. 159

(B) The pharmacy benefit manager shall retain the written 160  
agreement as part of the pharmacy benefit manager's official 161  
records for the duration of the agreement and for five years 162

thereafter. Each agreement shall include, at a minimum, all of 163  
the following: 164

(1) The term of the agreement; 165

(2) An explanation of the services to be performed by the 166  
pharmacy benefit manager; 167

(3) The method and rate of compensation to be paid by the 168  
plan sponsor to the pharmacy benefit manager for services 169  
rendered; 170

(4) Provisions for the renewal and termination of the 171  
agreement. 172

(C) A pharmacy benefit manager shall maintain, for the 173  
duration of the agreement with the plan sponsor, customary books 174  
and records of all transactions and information relative to 175  
covered persons or beneficiaries. The pharmacy benefit manager 176  
shall maintain such books and records either electronically or 177  
in physical form at the pharmacy benefit manager's principal 178  
office or branch office. 179

(D) A pharmacy benefit manager shall account, annually or 180  
more frequently, to the plan sponsor for any pricing discounts, 181  
rebates of any kind, inflationary payments, credits, claw backs, 182  
fees, grants, charge backs, drug product reimbursements, or 183  
other benefits received by the pharmacy benefit manager. The 184  
pharmacy benefit manager shall give the plan sponsor access to 185  
all financial and utilization information used by the pharmacy 186  
benefit manager in relation to pharmacy benefit management 187  
services provided to the plan sponsor. 188

(E) A pharmacy benefit manager shall disclose, in writing, 189  
to the plan sponsor the terms and conditions of any contract or 190  
arrangement between the pharmacy benefit manager and any other 191

party relating to pharmacy benefit management services provided 192  
by the pharmacy benefit manager to the plan sponsor, including 193  
pharmacy benefit management services provided to group 194  
purchasing organizations. 195

(F) A pharmacy benefit manager shall disclose, in writing, 196  
to the plan sponsor any activity, policy, practice, contract, or 197  
arrangement of the pharmacy benefit manager that directly or 198  
indirectly presents any conflict of interest concerning the 199  
pharmacy benefit manager's relationship with or obligation to 200  
the plan sponsor. 201

(G) Divisions (A) to (F) of this section apply to 202  
agreements subject to this chapter and pharmacy benefit 203  
management services provided pursuant to those agreements. 204  
Nothing in those divisions applies to pharmacy benefit 205  
management services provided pursuant to an agreement that is 206  
not subject to this chapter. 207

(H) A pharmacy benefit manager duly licensed under this 208  
chapter shall, at all times, maintain any required insurance 209  
coverage or bond as provided for and mandated by the "Employee 210  
Retirement and Income Security Act of 1974," 29 U.S.C. 1001. 211

**Sec. 3957.10.** An insurer that enters into an agreement 212  
subject to this chapter with a pharmacy benefit manager to 213  
perform any services related to prescription drug benefits shall 214  
ensure that, under the agreement, the pharmacy benefit manager 215  
acts as the insurer's agent and owes a fiduciary duty to the 216  
insurer in the pharmacy benefit manager's performance of 217  
services related to the insurer's prescription drug benefits. 218

**Sec. 3957.11.** (A) Upon notice and hearing in accordance 219  
with Chapter 119. of the Revised Code, the superintendent of 220



<u>insurance may suspend for a period not exceeding two years,</u>	221
<u>revoke, or refuse to renew any license issued under this</u>	222
<u>chapter, or impose a monetary fine against a licensee, or both,</u>	223
<u>if upon investigation and proof the superintendent finds that</u>	224
<u>the licensee has done any of the following:</u>	225
<u>(1) Knowingly violated any provision of this chapter or</u>	226
<u>any rule promulgated by the superintendent in accordance with</u>	227
<u>this chapter;</u>	228
<u>(2) Knowingly made a material misstatement in the</u>	229
<u>application for licensure or renewal;</u>	230
<u>(3) Obtained or attempted to obtain a license through</u>	231
<u>misrepresentation or fraud;</u>	232
<u>(4) Misappropriated, converted to the licensee's own use,</u>	233
<u>or improperly withheld insurance company premiums or</u>	234
<u>contributions held by the licensee in a fiduciary capacity,</u>	235
<u>excluding interest earnings received by the licensee that are</u>	236
<u>disclosed in writing to the plan sponsor;</u>	237
<u>(5) In the transaction of business under the license, used</u>	238
<u>fraudulent, coercive, or dishonest practices;</u>	239
<u>(6) Failed to appear without reasonable cause or excuse in</u>	240
<u>response to a subpoena, examination, warrant, or other order</u>	241
<u>lawfully issued by the superintendent;</u>	242
<u>(7) Is affiliated with or under the same general</u>	243
<u>management or interlocking directorate or ownership of another</u>	244
<u>pharmacy benefit manager that transacts business in this state</u>	245
<u>and is not licensed under this chapter;</u>	246
<u>(8) Had a license suspended, revoked, or not renewed in</u>	247
<u>any other state, district, territory, or province on grounds</u>	248

<u>identical to those stated in this section;</u>	249
<u>(9) Been convicted of a financially related felony;</u>	250
<u>(10) Failed to report a felony conviction as required by</u> <u>section 3957.12 of the Revised Code.</u>	251 252
<u>(B) Upon receipt of notice of the order of suspension in</u> <u>accordance with sections 119.05 and 119.07 of the Revised Code,</u> <u>the licensee shall promptly deliver the license to the</u> <u>superintendent, unless the order of suspension is appealed under</u> <u>section 119.12 of the Revised Code.</u>	253 254 255 256 257
<u>(C) Any person whose license is revoked or whose</u> <u>application is denied pursuant to this chapter is ineligible to</u> <u>apply for a pharmacy benefit manager license for two years after</u> <u>the date the license is revoked or the application is denied.</u>	258 259 260 261
<u>(D) The superintendent may impose a monetary fine against</u> <u>a licensee if, upon investigation and after notice and</u> <u>opportunity for hearing in accordance with Chapter 119. of the</u> <u>Revised Code, the superintendent finds that the licensee has</u> <u>done either of the following:</u>	262 263 264 265 266
<u>(1) Committed fraud or engaged in any illegal or dishonest</u> <u>activity in connection with the administration of pharmacy</u> <u>benefit management services;</u>	267 268 269
<u>(2) Violated any provision of section 3957.09 of the</u> <u>Revised Code or any rule adopted by the superintendent pursuant</u> <u>to or to implement that section.</u>	270 271 272
<b><u>Sec. 3957.12.</u></b> <u>Any person that, while licensed as a</u> <u>pharmacy benefit manager under this chapter, is convicted of a</u> <u>felony, shall report the conviction to the superintendent of</u> <u>insurance within thirty days after the entry date of the</u>	273 274 275 276

judgment of conviction. Within that thirty-day period, the 277  
person shall also provide the superintendent with a copy of the 278  
judgment, the commitment order or the order imposing a community 279  
control sanction, as defined in section 2929.01 of the Revised 280  
Code, and any other relevant documents. 281

**Sec. 3957.13.** (A) On and after January 1, 2027, no 282  
pharmacy benefit manager shall do any of the following: 283

(1) Use plan sponsor funds for any purpose not 284  
specifically set forth in writing by the pharmacy benefit 285  
manager; 286

(2) Fail to disclose in written solicitation materials and 287  
at least once annually to contracted plan sponsors any ownership 288  
relationship of five per cent or more between the pharmacy 289  
benefit manager and an insurance carrier; 290

(3) Fail to remit insurance company premiums within the 291  
policy period or within the time agreed to in writing between 292  
the insurance company and the pharmacy benefit manager; 293

(4) Fail to disclose in writing the method of collecting 294  
and holding a plan sponsor's funds. 295

(B) This section does not apply to the extent that it 296  
conflicts with an agreement that is not subject to this chapter. 297

**Sec. 3957.14.** (A) On and after July 1, 2027, a pharmacy 298  
benefit manger shall do all of the following: 299

(1) Maintain detailed books and records that reflect all 300  
transactions administered by the pharmacy benefit manager 301  
pursuant to agreements that are subject to this chapter, 302  
specifically in regard to premiums or contributions received and 303  
deposited, and claims and authorized expenses paid. 304

(2) Prepare, journalize, and post the books and records 305  
described in division (A) (1) of this section in accordance with 306  
the terms and conditions of the service agreement between the 307  
pharmacy benefit manager and the insurer or plan sponsor and in 308  
accordance with the "Employee Retirement and Income Security Act 309  
of 1974," 29 U.S.C. 1001. 310

(3) Maintain the books and records described in division 311  
(A) (1) of this section for the period in which the pharmacy 312  
benefit manager provides services for the applicable insurer or 313  
plan sponsor and for ten years thereafter. 314

(4) Maintain a cash receipts register of all premiums or 315  
contributions received, including, at minimum, the date such 316  
contributions are received and deposited. 317

(B) For the purposes of the books and records required by 318  
this section, a pharmacy benefit manager's description of a 319  
disbursement shall be in sufficient detail to identify the 320  
source document substantiating the purpose of the disbursement, 321  
and shall include all of the following: 322

(1) The check number; 323

(2) The date of disbursement; 324

(3) The person to whom the disbursement was made; 325

(4) The amount disbursed and, if the amount disbursed does 326  
not align with the amount billed or authorized, a written record 327  
as to the application for the disbursement; 328

(5) If the disbursement is for the earned pharmacy benefit 329  
manager fee or commission, a written record reflecting the 330  
identifying deposit from which the fee is matched. 331

(C) A pharmacy benefit manager shall support all journal 332

entries for receipts and disbursements with evidence that is 333  
referenced in the journal entry so that it may be traced for 334  
verification. 335

(D) A pharmacy benefit manager shall prepare and maintain 336  
monthly financial institution account reconciliations if 337  
requested by an insurer or plan sponsor as provided in any 338  
service agreement by and between the pharmacy benefit manager 339  
and the insurer or plan sponsor that is subject to this chapter. 340

(E) A pharmacy benefit manager shall prepare a report to 341  
be filed with the insurer or plan sponsor with which the 342  
pharmacy benefit manager has an agreement subject to this 343  
chapter within ninety days after the end of the fiscal year of 344  
the plan which, at minimum, discloses all of the following: 345

(1) The total premiums or contributions received from the 346  
plan sponsor, covered persons, or beneficiaries; 347

(2) The total administration fees withdrawn by the 348  
pharmacy benefit manager pursuant to the written service 349  
agreement; 350

(3) The total claim payments made during the reporting 351  
period. 352

(F) A pharmacy benefit manager shall pay return premiums 353  
or contributions to the insurer or plan sponsor with which the 354  
pharmacy benefit manager has an agreement subject to this 355  
chapter, or credit such return premiums or contributions to the 356  
account of the insurer or plan sponsor, within thirty days after 357  
receipt by the pharmacy benefit manager. If the pharmacy benefit 358  
manager credits the return premium or contribution to the 359  
insurer or plan sponsor, the pharmacy benefit manager shall show 360  
and apply the credit to the next billing statement sent to the 361

<u>insurer or plan sponsor.</u>	362
<u>(G) On and after January 1, 2027, the superintendent of</u>	363
<u>insurance may examine the books and records of a pharmacy</u>	364
<u>benefit manager as necessary to determine the following:</u>	365
<u>(1) The aggregate amount of rebates received by a pharmacy</u>	366
<u>benefit manager;</u>	367
<u>(2) The aggregate amount of rebates distributed by a</u>	368
<u>pharmacy benefit manager to an appropriate health care payor;</u>	369
<u>(3) The aggregate amount of rebates passed on to an</u>	370
<u>enrollee of each health care payor at the point of sale that</u>	371
<u>reduced the enrollee's applicable deductible, copayment,</u>	372
<u>coinsurance, or other cost-sharing amount;</u>	373
<u>(4) The individual and aggregate amount paid by a health</u>	374
<u>care payor to the pharmacy benefit manager for pharmacist</u>	375
<u>services itemized by pharmacy, product, and goods and services,</u>	376
<u>including other prescription drug or device services;</u>	377
<u>(5) The individual and aggregate amount a pharmacy benefit</u>	378
<u>manager paid for pharmacist services itemized by pharmacy,</u>	379
<u>product, and goods and services, including other prescription</u>	380
<u>drug or device services.</u>	381
<u>(H) This section does not limit the power of the</u>	382
<u>superintendent to examine or audit the books and records of a</u>	383
<u>pharmacy benefit manager.</u>	384
<u>(I) Upon written notification to a pharmacy benefit</u>	385
<u>manager by the superintendent of insurance that the pharmacy</u>	386
<u>benefit manager has violated any provision of this chapter, the</u>	387
<u>pharmacy benefit manager shall correct the violation specified</u>	388
<u>in the notice within sixty days.</u>	389

Sec. 3957.15. (A) All information and data acquired by the 390  
superintendent of insurance or the department of insurance under 391  
this chapter is considered proprietary and confidential and is 392  
not a public record under section 149.43 of the Revised Code. 393

(B) On and after January 1, 2027, no pharmacy benefit 394  
manager or representative of a pharmacy benefit manager shall do 395  
either of the following: 396

(1) Cause or knowingly permit the use of any 397  
advertisement, promotion, solicitation, representation, 398  
proposal, or offer that is untrue, deceptive, or misleading; 399

(2) Reimburse a pharmacy or pharmacist in this state an 400  
amount less than the amount that the pharmacy benefit manager 401  
reimburses a pharmacy benefit manager affiliate for providing 402  
the same service. 403

Sec. 3957.16. This chapter does not apply to an employer's 404  
self-insurance plan to the extent that federal law supersedes, 405  
preempts, prohibits, or otherwise precludes its application to 406  
such plan. 407

Sec. 3957.17. On receipt of a notice pursuant to section 408  
3123.43 of the Revised Code, the superintendent of insurance 409  
shall comply with sections 3123.41 to 3123.50 of the Revised 410  
Code and any applicable rules adopted under section 3123.63 of 411  
the Revised Code with respect to a license issued pursuant to 412  
this chapter. 413

Sec. 3957.99. Whoever violates section 3957.03 of the 414  
Revised Code is guilty of a misdemeanor of the fourth degree. 415

**Sec. 3959.01. As used in this chapter:** 416

(A) "Administration fees" means any amount charged a 417

covered person for services rendered. "Administration fees" 418  
includes commissions earned or paid by any person relative to 419  
services performed by an administrator. 420

(B) "Administrator" means any person who adjusts or 421  
settles claims on, residents of this state in connection with 422  
life, dental, health, prescription drugs, or disability 423  
insurance or self-insurance programs. "Administrator" includes a 424  
pharmacy benefit manager, except as described in division (B) (6) 425  
of this section. "Administrator" does not include any of the 426  
following: 427

(1) An insurance agent or solicitor licensed in this state 428  
whose activities are limited exclusively to the sale of 429  
insurance and who does not provide any administrative services; 430

(2) Any person who administers or operates the workers' 431  
compensation program of a self-insuring employer under Chapter 432  
4123. of the Revised Code; 433

(3) Any person who administers pension plans for the 434  
benefit of the person's own members or employees or administers 435  
pension plans for the benefit of the members or employees of any 436  
other person; 437

(4) Any person that administers an insured plan or a self- 438  
insured plan that provides life, dental, health, or disability 439  
benefits exclusively for the person's own members or employees; 440

(5) Any health insuring corporation holding a certificate 441  
of authority under Chapter 1751. of the Revised Code or an 442  
insurance company that is authorized to write life or sickness 443  
and accident insurance in this state; 444

(6) On and after January 1, 2027, a pharmacy benefit 445  
manager licensed under Chapter 3957. of the Revised Code but 446



only with respect to agreements that are entered into, amended, 447  
or renewed on or after that date. 448

(C) "Aggregate excess insurance" means that type of 449  
coverage whereby the insurer agrees to reimburse the insured 450  
employer or trust for all benefits or claims paid during an 451  
agreement period on behalf of all covered persons under the plan 452  
or trust which exceed a stated deductible amount and subject to 453  
a stated maximum. 454

(D) "Contracted pharmacy" or "pharmacy" means a pharmacy 455  
located in this state participating in either the network of a 456  
pharmacy benefit manager or in a health care or pharmacy benefit 457  
plan through a direct contract or through a contract with a 458  
pharmacy services administration organization, group purchasing 459  
organization, or another contracting agent. 460

(E) "Contributions" means any amount collected from a 461  
covered person to fund the self-insured portion of any plan in 462  
accordance with the plan's provisions, summary plan 463  
descriptions, and contracts of insurance. 464

(F) "Drug product reimbursement" means the amount paid by 465  
a pharmacy benefit manager to a contracted pharmacy for the cost 466  
of the drug dispensed to a patient and does not include a 467  
dispensing or professional fee. 468

(G) "Fiduciary" has the meaning set forth in section 469  
1002(21)(A) of the "Employee Retirement Income Security Act of 470  
1974," 88 Stat. 829, 29 U.S.C. 1001, as amended. 471

(H) "Fiscal year" means the twelve-month accounting period 472  
commencing on the date the plan is established and ending twelve 473  
months following that date, and each corresponding twelve-month 474  
accounting period thereafter as provided for in the summary plan 475

description. 476

(I) "Insurer" means an entity authorized to do the 477  
business of insurance in this state or, for the purposes of this 478  
section, a health insuring corporation authorized to issue 479  
health care plans in this state. 480

(J) "Managed care organization" means an entity that 481  
provides medical management and cost containment services and 482  
includes a medicaid managed care organization, as defined in 483  
section 5167.01 of the Revised Code. 484

(K) "Maximum allowable cost" means a maximum drug product 485  
reimbursement for an individual drug or for a group of 486  
therapeutically and pharmaceutically equivalent multiple source 487  
drugs that are listed in the United States food and drug 488  
administration's approved drug products with therapeutic 489  
equivalence evaluations, commonly referred to as the orange 490  
book. 491

(L) "Maximum allowable cost list" means a list of the 492  
drugs for which a pharmacy benefit manager imposes a maximum 493  
allowable cost. 494

(M) "Multiple employer welfare arrangement" has the same 495  
meaning as in section 1739.01 of the Revised Code. 496

(N) "Pharmacy benefit manager" means an entity that 497  
contracts with pharmacies on behalf of an employer, a multiple 498  
employer welfare arrangement, public employee benefit plan, 499  
state agency, insurer, managed care organization, or other 500  
third-party payer to provide pharmacy health benefit services or 501  
administration. "Pharmacy benefit manager" includes the state 502  
pharmacy benefit manager selected under section 5167.24 of the 503  
Revised Code. 504

(O) "Plan" means any arrangement in written form for the 505  
payment of life, dental, health, or disability benefits to 506  
covered persons defined by the summary plan description and 507  
includes a drug benefit plan administered by a pharmacy benefit 508  
manager. 509

(P) "Plan sponsor" means the person who establishes the 510  
plan. 511

(Q) "Self-insurance program" means a program whereby an 512  
employer provides a plan of benefits for its employees without 513  
involving an intermediate insurance carrier to assume risk or 514  
pay claims. "Self-insurance program" includes but is not limited 515  
to employer programs that pay claims up to a prearranged limit 516  
beyond which they purchase insurance coverage to protect against 517  
unpredictable or catastrophic losses. 518

(R) "Specific excess insurance" means that type of 519  
coverage whereby the insurer agrees to reimburse the insured 520  
employer or trust for all benefits or claims paid during an 521  
agreement period on behalf of a covered person in excess of a 522  
stated deductible amount and subject to a stated maximum. 523

(S) "Summary plan description" means the written document 524  
adopted by the plan sponsor which outlines the plan of benefits, 525  
conditions, limitations, exclusions, and other pertinent details 526  
relative to the benefits provided to covered persons thereunder. 527

(T) "Third-party payer" has the same meaning as in section 528  
3901.38 of the Revised Code. 529

**Section 2.** That existing section 3959.01 of the Revised 530  
Code is hereby repealed. 531