

As Introduced

136th General Assembly

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H. B. No. 229

Representative Deeter

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.

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

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

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

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(2) Disbursing or distributing rebates;

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

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

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(5) Developing formularies;

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(6) Designing prescription benefit programs;

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(7) Advertising or promoting services.

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

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

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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

insurance may suspend for a period not exceeding two years, 221
revoke, or refuse to renew any license issued under this 222
chapter, or impose a monetary fine against a licensee, or both, 223
if upon investigation and proof the superintendent finds that 224
the licensee has done any of the following: 225

(1) Knowingly violated any provision of this chapter or 226
any rule promulgated by the superintendent in accordance with 227
this chapter; 228

(2) Knowingly made a material misstatement in the 229
application for licensure or renewal; 230

(3) Obtained or attempted to obtain a license through 231
misrepresentation or fraud; 232

(4) Misappropriated, converted to the licensee's own use, 233
or improperly withheld insurance company premiums or 234
contributions held by the licensee in a fiduciary capacity, 235
excluding interest earnings received by the licensee that are 236
disclosed in writing to the plan sponsor; 237

(5) In the transaction of business under the license, used 238
fraudulent, coercive, or dishonest practices; 239

(6) Failed to appear without reasonable cause or excuse in 240
response to a subpoena, examination, warrant, or other order 241
lawfully issued by the superintendent; 242

(7) Is affiliated with or under the same general 243
management or interlocking directorate or ownership of another 244
pharmacy benefit manager that transacts business in this state 245
and is not licensed under this chapter; 246

(8) Had a license suspended, revoked, or not renewed in 247
any other state, district, territory, or province on grounds 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>	251
<u>section 3957.12 of the Revised Code.</u>	252
<u>(B) Upon receipt of notice of the order of suspension in</u>	253
<u>accordance with sections 119.05 and 119.07 of the Revised Code,</u>	254
<u>the licensee shall promptly deliver the license to the</u>	255
<u>superintendent, unless the order of suspension is appealed under</u>	256
<u>section 119.12 of the Revised Code.</u>	257
<u>(C) Any person whose license is revoked or whose</u>	258
<u>application is denied pursuant to this chapter is ineligible to</u>	259
<u>apply for a pharmacy benefit manager license for two years after</u>	260
<u>the date the license is revoked or the application is denied.</u>	261
<u>(D) The superintendent may impose a monetary fine against</u>	262
<u>a licensee if, upon investigation and after notice and</u>	263
<u>opportunity for hearing in accordance with Chapter 119. of the</u>	264
<u>Revised Code, the superintendent finds that the licensee has</u>	265
<u>done either of the following:</u>	266
<u>(1) Committed fraud or engaged in any illegal or dishonest</u>	267
<u>activity in connection with the administration of pharmacy</u>	268
<u>benefit management services;</u>	269
<u>(2) Violated any provision of section 3957.09 of the</u>	270
<u>Revised Code or any rule adopted by the superintendent pursuant</u>	271
<u>to or to implement that section.</u>	272
<u>Sec. 3957.12. Any person that, while licensed as a</u>	273
<u>pharmacy benefit manager under this chapter, is convicted of a</u>	274
<u>felony, shall report the conviction to the superintendent of</u>	275
<u>insurance within thirty days after the entry date of the</u>	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

insurer or plan sponsor. 362

(G) On and after January 1, 2027, the superintendent of 363
insurance may examine the books and records of a pharmacy 364
benefit manager as necessary to determine the following: 365

(1) The aggregate amount of rebates received by a pharmacy 366
benefit manager; 367

(2) The aggregate amount of rebates distributed by a 368
pharmacy benefit manager to an appropriate health care payor; 369

(3) The aggregate amount of rebates passed on to an 370
enrollee of each health care payor at the point of sale that 371
reduced the enrollee's applicable deductible, copayment, 372
coinsurance, or other cost-sharing amount; 373

(4) The individual and aggregate amount paid by a health 374
care payor to the pharmacy benefit manager for pharmacist 375
services itemized by pharmacy, product, and goods and services, 376
including other prescription drug or device services; 377

(5) The individual and aggregate amount a pharmacy benefit 378
manager paid for pharmacist services itemized by pharmacy, 379
product, and goods and services, including other prescription 380
drug or device services. 381

(H) This section does not limit the power of the 382
superintendent to examine or audit the books and records of a 383
pharmacy benefit manager. 384

(I) Upon written notification to a pharmacy benefit 385
manager by the superintendent of insurance that the pharmacy 386
benefit manager has violated any provision of this chapter, the 387
pharmacy benefit manager shall correct the violation specified 388
in the notice within sixty days. 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