

As Passed by the House

136th General Assembly

Regular Session

2025-2026

Sub. H. B. No. 229

Representative Deeter

Cosponsors: Representatives Bird, John, Russo, Abdullahi, Baker, Brennan, Brent, Brewer, Brownlee, Click, Cockley, Daniels, Dovilla, Fischer, Glassburn, Grim, Hall, D., Hoops, Isaacsohn, Jarrells, Johnson, King, Lampton, Lawson-Rowe, Lett, Manning, Mathews, A., Mathews, T., McClain, Miller, J., Miller, M., Mohamed, Plummer, Ray, Ritter, Salvo, Santucci, Sigrist, Sims, Thomas, C., Thomas, D., Upchurch, White, A., White, E., Williams, Willis, Workman, Young

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

<u>adjudicating claims relating to pharmacist services, including</u>	17
<u>both of the following:</u>	18
<u>(1) Receiving payments for pharmacist services;</u>	19
<u>(2) Making payments to pharmacists or pharmacies for</u> <u>pharmacist services.</u>	20 21
<u>(B) "Contracted pharmacy" or "pharmacy" means a pharmacy,</u> <u>as defined in section 4729.01 of the Revised Code, located in</u> <u>this state and participating in either the network of a pharmacy</u> <u>benefit manager or in a health care or pharmacy benefit plan</u> <u>through a direct contract or through a contract with a pharmacy</u> <u>services administration organization, group purchasing</u> <u>organization, or another contracting agent.</u>	22 23 24 25 26 27 28
<u>(C) "Other prescription drug or device services" means</u> <u>services other than claims processing services, provided</u> <u>directly or indirectly, whether in connection with or separate</u> <u>from claims processing services, including all of the following:</u>	29 30 31 32
<u>(1) Negotiating rebates, discounts, or other financial</u> <u>incentives and arrangements with drug companies;</u>	33 34
<u>(2) Disbursing or distributing rebates;</u>	35
<u>(3) Managing or participating in incentive programs or</u> <u>arrangements for pharmacist services;</u>	36 37
<u>(4) Negotiating or entering into contractual arrangements</u> <u>with pharmacists or pharmacies, or both;</u>	38 39
<u>(5) Developing formularies;</u>	40
<u>(6) Designing prescription benefit programs;</u>	41
<u>(7) Advertising or promoting services.</u>	42
<u>(D) "Pharmacist" means an individual licensed to engage in</u>	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) "Rebate" means a discount or other price concession, 55
or a payment attributable to the utilization of prescription 56
drugs in this state, that is paid by a drug manufacturer 57
directly to a pharmacy benefit manager after a claim has been 58
processed and paid at a pharmacy. 59

(H) "Subject to this chapter" means, in the context of an 60
agreement involving a pharmacy benefit manager, that the 61
agreement is entered into, amended, or renewed on or after July 62
1, 2027. 63

(I) "Third-party payer" has the same meaning as in section 64
3901.38 of the Revised Code, except that the term does not 65
include a pharmacy benefit manager subject to this chapter. 66

(J) "Drug product reimbursement," "fiscal year," 67
"insurer," "pharmacy benefit manager," "plan," "plan sponsor," 68
and "self-insurance program" have the same meanings as in 69
section 3959.01 of the Revised Code. 70

Sec. 3957.02. The superintendent of insurance shall 71
establish by rule, adopted in accordance with Chapter 119. of 72

the Revised Code, and administer a process for licensing 73
pharmacy benefit managers in this state. 74

Sec. 3957.03. (A) On and after July 1, 2027, no person 75
shall knowingly solicit a plan or sponsor of a plan that is 76
domiciled in this state or has its principal headquarters or 77
principal administrative office in this state to act as a 78
pharmacy benefit manager for the plan or plan sponsor unless the 79
person is licensed under this chapter. 80

(B) No person shall knowingly provide pharmacy benefit 81
management services pursuant to an agreement subject to this 82
chapter unless the person is licensed under this chapter. 83

Sec. 3957.04. (A) A person that seeks to be licensed as a 84
pharmacy benefit manager shall file an application with the 85
superintendent of insurance in the form and manner prescribed by 86
the superintendent. 87

(B) All applications for a pharmacy benefit manager 88
license shall be accompanied by a nonrefundable filing fee of 89
two thousand dollars per application. 90

(C) All fees collected under this section and section 91
3957.08 of the Revised Code shall be paid into the state 92
treasury to the credit of the department of insurance operating 93
fund created under section 3901.021 of the Revised Code. 94

Sec. 3957.05. The superintendent of insurance shall 95
approve or deny an application for a license under this chapter 96
within thirty days after receipt. 97

Sec. 3957.06. Within thirty days after denying an 98
application for a license under this chapter, the superintendent 99
of insurance shall notify the applicant of the denial and the 100
reasons for the denial. The superintendent shall include a 101

statement in the notice advising that the applicant is entitled 102
to a hearing, in accordance with Chapter 119. of the Revised 103
Code, if the applicant requests such a hearing within thirty 104
days after the notice is sent. 105

Sec. 3957.07. Upon approving an application for a license 106
under this chapter and receiving payment of the associated 107
filing fee, the superintendent of insurance shall grant the 108
applicant a license and issue a certificate of authority to 109
operate as a pharmacy benefit manager in this state. The license 110
is effective on the date the application is approved by the 111
superintendent and expires annually on the thirtieth day of 112
June. If the application is approved in May or June, the license 113
expires on the thirtieth day of June the following year. All 114
licenses may be renewed, annually, in accordance with section 115
3957.08 of the Revised Code. 116

Sec. 3957.08. (A) The superintendent of insurance shall 117
provide a renewal notice to each person licensed under this 118
chapter not later than the first day of May each year. 119

(B) A person licensed under this chapter may renew the 120
license by applying to the superintendent, in the form and 121
manner prescribed by the superintendent, and paying a renewal 122
fee of three thousand dollars before the date the license 123
expires. 124

(C) In the event that a person licensed under this chapter 125
fails to apply for renewal and pay the renewal fee before the 126
date the license expires, the superintendent shall cancel the 127
person's certificate of authority to operate as a pharmacy 128
benefit manager in this state. A person whose license is expired 129
may apply to reinstate the license in the same manner as an 130
original application under section 3957.04 of the Revised Code, 131

except that the filing fee is the product of two hundred fifty 132
dollars times the number of months the reinstated license will 133
be in effect. 134

Sec. 3957.09. (A) Except as otherwise provided in division 135
(G) of this section, no person shall act as a pharmacy benefit 136
manager on or after July 1, 2027, without first entering into a 137
written agreement with a plan sponsor. 138

(B) The pharmacy benefit manager shall retain the written 139
agreement as part of the pharmacy benefit manager's official 140
records for the duration of the agreement and for five years 141
thereafter. Each agreement shall include, at a minimum, all of 142
the following: 143

(1) The term of the agreement; 144

(2) An explanation of the services to be performed by the 145
pharmacy benefit manager; 146

(3) The method and rate of compensation to be paid by the 147
plan sponsor to the pharmacy benefit manager for services 148
rendered; 149

(4) Provisions for the renewal and termination of the 150
agreement. 151

(C) A pharmacy benefit manager shall maintain, for the 152
duration of the agreement with the plan sponsor, customary books 153
and records of all transactions and information relative to 154
covered persons or beneficiaries. The pharmacy benefit manager 155
shall maintain such books and records either electronically or 156
in physical form at the pharmacy benefit manager's principal 157
office or branch office. 158

(D) A pharmacy benefit manager shall account, annually or 159

more frequently, to the plan sponsor for any pricing discounts, 160
rebates of any kind, inflationary payments, credits, claw backs, 161
fees, grants, charge backs, drug product reimbursements, or 162
other benefits received by the pharmacy benefit manager. The 163
pharmacy benefit manager shall give the plan sponsor access to 164
all financial and utilization information used by the pharmacy 165
benefit manager in relation to pharmacy benefit management 166
services provided to the plan sponsor. 167

(E) A pharmacy benefit manager shall disclose, in writing, 168
to the plan sponsor the terms and conditions of any contract or 169
arrangement between the pharmacy benefit manager and any other 170
party relating to pharmacy benefit management services provided 171
by the pharmacy benefit manager to the plan sponsor, including 172
pharmacy benefit management services provided to group 173
purchasing organizations. 174

(F) A pharmacy benefit manager shall disclose, in writing, 175
to the plan sponsor any activity, policy, practice, contract, or 176
arrangement of the pharmacy benefit manager that directly or 177
indirectly presents any conflict of interest concerning the 178
pharmacy benefit manager's relationship with or obligation to 179
the plan sponsor. 180

(G) Divisions (A) to (F) of this section apply to 181
agreements subject to this chapter and pharmacy benefit 182
management services provided pursuant to those agreements. 183
Nothing in those divisions applies to pharmacy benefit 184
management services provided pursuant to an agreement that is 185
not subject to this chapter. 186

(H) A pharmacy benefit manager duly licensed under this 187
chapter shall, at all times, maintain any required insurance 188
coverage or bond as provided for and mandated by the "Employee 189

<u>Retirement and Income Security Act of 1974," 29 U.S.C. 1001.</u>	190
<u>Sec. 3957.10. (A) Upon notice and hearing in accordance</u>	191
<u>with Chapter 119. of the Revised Code, the superintendent of</u>	192
<u>insurance may suspend for a period not exceeding two years,</u>	193
<u>revoke, or refuse to renew any license issued under this</u>	194
<u>chapter, or impose a monetary fine against a licensee, or both,</u>	195
<u>if upon investigation and proof the superintendent finds that</u>	196
<u>the licensee has done any of the following:</u>	197
<u>(1) Violated any provision of this chapter or any rule</u>	198
<u>promulgated by the superintendent in accordance with this</u>	199
<u>chapter;</u>	200
<u>(2) Made a material misstatement in the application for</u>	201
<u>licensure or renewal;</u>	202
<u>(3) Obtained or attempted to obtain a license through</u>	203
<u>misrepresentation or fraud;</u>	204
<u>(4) Misappropriated, converted to the licensee's own use,</u>	205
<u>or improperly withheld insurance company premiums or</u>	206
<u>contributions held by the licensee, excluding interest earnings</u>	207
<u>received by the licensee that are disclosed in writing to the</u>	208
<u>plan sponsor;</u>	209
<u>(5) In the transaction of business under the license, used</u>	210
<u>fraudulent, coercive, or dishonest practices;</u>	211
<u>(6) Failed to appear without reasonable cause or excuse in</u>	212
<u>response to a subpoena, examination, warrant, or other order</u>	213
<u>lawfully issued by the superintendent;</u>	214
<u>(7) Is affiliated with or under the same general</u>	215
<u>management or interlocking directorate or ownership of another</u>	216
<u>pharmacy benefit manager that transacts business in this state</u>	217

<u>and is not licensed under this chapter;</u>	218
<u>(8) Had a license suspended, revoked, or not renewed in</u>	219
<u>any other state, district, territory, or province on grounds</u>	220
<u>identical to those stated in this section;</u>	221
<u>(9) Been convicted of a financially related felony;</u>	222
<u>(10) Failed to report a felony conviction as required by</u>	223
<u>section 3957.11 of the Revised Code.</u>	224
<u>(B) Upon receipt of notice of the order of suspension in</u>	225
<u>accordance with sections 119.05 and 119.07 of the Revised Code,</u>	226
<u>the licensee shall promptly deliver the license to the</u>	227
<u>superintendent, unless the order of suspension is appealed under</u>	228
<u>section 119.12 of the Revised Code.</u>	229
<u>(C) Any person whose license is revoked or whose</u>	230
<u>application is denied pursuant to this chapter is ineligible to</u>	231
<u>apply for a pharmacy benefit manager license for two years after</u>	232
<u>the date the license is revoked or the application is denied.</u>	233
<u>(D) The superintendent may impose a monetary fine against</u>	234
<u>a licensee if, upon investigation and after notice and</u>	235
<u>opportunity for hearing in accordance with Chapter 119. of the</u>	236
<u>Revised Code, the superintendent finds that the licensee has</u>	237
<u>done either of the following:</u>	238
<u>(1) Committed fraud or engaged in any illegal or dishonest</u>	239
<u>activity in connection with the administration of pharmacy</u>	240
<u>benefit management services;</u>	241
<u>(2) Violated any provision of section 3957.09 of the</u>	242
<u>Revised Code or any rule adopted by the superintendent pursuant</u>	243
<u>to or to implement that section.</u>	244
<u>Sec. 3957.11. Any person that, while licensed as a</u>	245

pharmacy benefit manager under this chapter, is convicted of a 246
felony, shall report the conviction to the superintendent of 247
insurance within thirty days after the entry date of the 248
judgment of conviction. Within that thirty-day period, the 249
person shall also provide the superintendent with a copy of the 250
judgment, the commitment order or the order imposing a community 251
control sanction, as defined in section 2929.01 of the Revised 252
Code, and any other relevant documents. 253

Sec. 3957.12. (A) On and after July 1, 2027, no pharmacy 254
benefit manager shall do any of the following: 255

(1) Use plan sponsor funds for any purpose not 256
specifically set forth in writing by the pharmacy benefit 257
manager; 258

(2) Fail to disclose in written solicitation materials and 259
at least once annually to contracted plan sponsors any ownership 260
relationship of five per cent or more between the pharmacy 261
benefit manager and an insurance carrier; 262

(3) Fail to remit insurance company premiums within the 263
policy period or within the time agreed to in writing between 264
the insurance company and the pharmacy benefit manager; 265

(4) Fail to disclose in writing the method of collecting 266
and holding a plan sponsor's funds. 267

(B) This section does not apply to the extent that it 268
conflicts with an agreement that is not subject to this chapter. 269

Sec. 3957.13. (A) On and after July 1, 2027, a pharmacy 270
benefit manger shall do all of the following: 271

(1) Maintain detailed books and records that reflect all 272
transactions administered by the pharmacy benefit manager 273

pursuant to agreements that are subject to this chapter, 274
specifically in regard to premiums or contributions received and 275
deposited, and claims and authorized expenses paid. 276

(2) Prepare, journalize, and post the books and records 277
described in division (A) (1) of this section in accordance with 278
the terms and conditions of the service agreement between the 279
pharmacy benefit manager and the insurer or plan sponsor and in 280
accordance with the "Employee Retirement and Income Security Act 281
of 1974," 29 U.S.C. 1001. 282

(3) Maintain the books and records described in division 283
(A) (1) of this section for the period in which the pharmacy 284
benefit manager provides services for the applicable insurer or 285
plan sponsor and for ten years thereafter. 286

(4) Maintain a cash receipts register of all premiums or 287
contributions received, including, at minimum, the date such 288
contributions are received and deposited. 289

(B) For the purposes of the books and records required by 290
this section, a pharmacy benefit manager's description of a 291
disbursement shall be in sufficient detail to identify the 292
source document substantiating the purpose of the disbursement, 293
and shall include all of the following: 294

(1) The check number; 295

(2) The date of disbursement; 296

(3) The person to whom the disbursement was made; 297

(4) The amount disbursed and, if the amount disbursed does 298
not align with the amount billed or authorized, a written record 299
as to the application for the disbursement; 300

(5) If the disbursement is for the earned pharmacy benefit 301

manager fee or commission, a written record reflecting the 302
identifying deposit from which the fee is matched. 303

(C) A pharmacy benefit manager shall support all journal 304
entries for receipts and disbursements with evidence that is 305
referenced in the journal entry so that it may be traced for 306
verification. 307

(D) A pharmacy benefit manager shall prepare and maintain 308
monthly financial institution account reconciliations if 309
requested by an insurer or plan sponsor as provided in any 310
service agreement by and between the pharmacy benefit manager 311
and the insurer or plan sponsor that is subject to this chapter. 312

(E) A pharmacy benefit manager shall prepare a report to 313
be filed with the insurer or plan sponsor with which the 314
pharmacy benefit manager has an agreement subject to this 315
chapter within ninety days after the end of the fiscal year of 316
the plan which, at minimum, discloses all of the following: 317

(1) The total premiums or contributions received from the 318
plan sponsor, covered persons, or beneficiaries; 319

(2) The total administration fees withdrawn by the 320
pharmacy benefit manager pursuant to the written service 321
agreement; 322

(3) The total claim payments made during the reporting 323
period. 324

(F) A pharmacy benefit manager shall pay return premiums 325
or contributions to the insurer or plan sponsor with which the 326
pharmacy benefit manager has an agreement subject to this 327
chapter, or credit such return premiums or contributions to the 328
account of the insurer or plan sponsor, within thirty days after 329
receipt by the pharmacy benefit manager. If the pharmacy benefit 330

manager credits the return premium or contribution to the 331
insurer or plan sponsor, the pharmacy benefit manager shall show 332
and apply the credit to the next billing statement sent to the 333
insurer or plan sponsor. 334

(G) On and after July 1, 2027, the superintendent of 335
insurance may examine the books and records of a pharmacy 336
benefit manager as necessary to determine the following related 337
to any contracts involving a pharmacy benefit manager and a 338
health benefit plan: 339

(1) The aggregate amount of rebates received by a pharmacy 340
benefit manager; 341

(2) The aggregate amount of rebates distributed by a 342
pharmacy benefit manager to an appropriate plan sponsor of a 343
health benefit plan or health plan issuer; 344

(3) The aggregate amount of rebates passed on to an 345
enrollee of each plan sponsor of a health benefit plan or health 346
plan issuer at the point of sale that reduced the enrollee's 347
applicable deductible, copayment, coinsurance, or other cost- 348
sharing amount; 349

(4) The individual and aggregate amount paid by a plan 350
sponsor of a health benefit plan or health plan issuer to the 351
pharmacy benefit manager for pharmacist services itemized by 352
pharmacy, product, and goods and services, including other 353
prescription drug or device services; 354

(5) The individual and aggregate amount a pharmacy benefit 355
manager paid for pharmacist services itemized by pharmacy, 356
product, and goods and services, including other prescription 357
drug or device services. 358

(H) A pharmacy benefit manager shall pay all expenses 359

associated with the examination functions authorized or required 360
by this section. The superintendent shall provide the pharmacy 361
benefit manager with an itemized statement of the expenses 362
incurred in the performance of those functions and, upon receipt 363
of that statement, the pharmacy benefit manager shall remit the 364
full amount of such expenses to the superintendent. The 365
superintendent shall remit amounts received under this division 366
to the treasurer of state pursuant to section 3901.021 of the 367
Revised Code for deposit in the department of insurance 368
operating fund. 369

(I) Upon written notification to a pharmacy benefit 370
manager by the superintendent of insurance that the pharmacy 371
benefit manager has violated any provision of this chapter, the 372
pharmacy benefit manager shall correct the violation specified 373
in the notice within sixty days. 374

Sec. 3957.14. (A) All information and data acquired by the 375
superintendent of insurance or the department of insurance under 376
this chapter is considered proprietary and confidential and is 377
not a public record under section 149.43 of the Revised Code. 378

(B) On and after July 1, 2027, no pharmacy benefit manager 379
or representative of a pharmacy benefit manager shall do either 380
of the following: 381

(1) Cause or knowingly permit the use of any 382
advertisement, promotion, solicitation, representation, 383
proposal, or offer that is untrue, deceptive, or misleading; 384

(2) Reimburse a pharmacy or pharmacist in this state an 385
amount less than the amount that the pharmacy benefit manager 386
reimburses a pharmacy benefit manager affiliate located in this 387
state for providing the same service. 388

Sec. 3957.15. This chapter does not apply to an employer's self-insurance plan to the extent that federal law supersedes, preempts, prohibits, or otherwise precludes its application to such plan.

Sec. 3957.16. On receipt of a notice pursuant to section 3123.43 of the Revised Code, the superintendent of insurance shall comply with sections 3123.41 to 3123.50 of the Revised Code and any applicable rules adopted under section 3123.63 of the Revised Code with respect to a license issued pursuant to this chapter.

Sec. 3957.17. This chapter does not apply to an administrator, as defined in section 3959.01 of the Revised Code, that provides pharmacy benefit management services or administration solely to insurers affiliated with the administrator or self-funded employee benefit plan, provided such services are not offered on a standalone basis.

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

Sec. 3959.01. As used in this chapter:

(A) "Administration fees" means any amount charged a covered person for services rendered. "Administration fees" includes commissions earned or paid by any person relative to services performed by an administrator.

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

following:	418
(1) An insurance agent or solicitor licensed in this state	419
whose activities are limited exclusively to the sale of	420
insurance and who does not provide any administrative services;	421
(2) Any person who administers or operates the workers'	422
compensation program of a self-insuring employer under Chapter	423
4123. of the Revised Code;	424
(3) Any person who administers pension plans for the	425
benefit of the person's own members or employees or administers	426
pension plans for the benefit of the members or employees of any	427
other person;	428
(4) Any person that administers an insured plan or a self-	429
insured plan that provides life, dental, health, or disability	430
benefits exclusively for the person's own members or employees;	431
(5) Any health insuring corporation holding a certificate	432
of authority under Chapter 1751. of the Revised Code or an	433
insurance company that is authorized to write life or sickness	434
and accident insurance in this state;	435
<u>(6) On and after July 1, 2027, a pharmacy benefit manager</u>	436
<u>licensed under Chapter 3957. of the Revised Code but only with</u>	437
<u>respect to agreements that are entered into, amended, or renewed</u>	438
<u>on or after that date.</u>	439
(C) "Aggregate excess insurance" means that type of	440
coverage whereby the insurer agrees to reimburse the insured	441
employer or trust for all benefits or claims paid during an	442
agreement period on behalf of all covered persons under the plan	443
or trust which exceed a stated deductible amount and subject to	444
a stated maximum.	445

(D) "Contracted pharmacy" or "pharmacy" means a pharmacy 446
located in this state participating in either the network of a 447
pharmacy benefit manager or in a health care or pharmacy benefit 448
plan through a direct contract or through a contract with a 449
pharmacy services administration organization, group purchasing 450
organization, or another contracting agent. 451

(E) "Contributions" means any amount collected from a 452
covered person to fund the self-insured portion of any plan in 453
accordance with the plan's provisions, summary plan 454
descriptions, and contracts of insurance. 455

(F) "Drug product reimbursement" means the amount paid by 456
a pharmacy benefit manager to a contracted pharmacy for the cost 457
of the drug dispensed to a patient and does not include a 458
dispensing or professional fee. 459

(G) "Fiduciary" has the meaning set forth in section 460
1002(21) (A) of the "Employee Retirement Income Security Act of 461
1974," 88 Stat. 829, 29 U.S.C. 1001, as amended. 462

(H) "Fiscal year" means the twelve-month accounting period 463
commencing on the date the plan is established and ending twelve 464
months following that date, and each corresponding twelve-month 465
accounting period thereafter as provided for in the summary plan 466
description. 467

(I) "Insurer" means an entity authorized to do the 468
business of insurance in this state or, for the purposes of this 469
section, a health insuring corporation authorized to issue 470
health care plans in this state. 471

(J) "Managed care organization" means an entity that 472
provides medical management and cost containment services and 473
includes a medicaid managed care organization, as defined in 474

section 5167.01 of the Revised Code.	475
(K) "Maximum allowable cost" means a maximum drug product reimbursement for an individual drug or for a group of therapeutically and pharmaceutically equivalent multiple source drugs that are listed in the United States food and drug administration's approved drug products with therapeutic equivalence evaluations, commonly referred to as the orange book.	476 477 478 479 480 481 482
(L) "Maximum allowable cost list" means a list of the drugs for which a pharmacy benefit manager imposes a maximum allowable cost.	483 484 485
(M) "Multiple employer welfare arrangement" has the same meaning as in section 1739.01 of the Revised Code.	486 487
(N) "Pharmacy benefit manager" means an entity that contracts with pharmacies on behalf of an employer, a multiple employer welfare arrangement, public employee benefit plan, state agency, insurer, managed care organization, or other third-party payer to provide pharmacy health benefit services or administration. "Pharmacy benefit manager" includes the state pharmacy benefit manager selected under section 5167.24 of the Revised Code.	488 489 490 491 492 493 494 495
(O) "Plan" means any arrangement in written form for the payment of life, dental, health, or disability benefits to covered persons defined by the summary plan description and includes a drug benefit plan administered by a pharmacy benefit manager.	496 497 498 499 500
(P) "Plan sponsor" means the person who establishes the plan.	501 502
(Q) "Self-insurance program" means a program whereby an	503

employer provides a plan of benefits for its employees without 504
involving an intermediate insurance carrier to assume risk or 505
pay claims. "Self-insurance program" includes but is not limited 506
to employer programs that pay claims up to a prearranged limit 507
beyond which they purchase insurance coverage to protect against 508
unpredictable or catastrophic losses. 509

(R) "Specific excess insurance" means that type of 510
coverage whereby the insurer agrees to reimburse the insured 511
employer or trust for all benefits or claims paid during an 512
agreement period on behalf of a covered person in excess of a 513
stated deductible amount and subject to a stated maximum. 514

(S) "Summary plan description" means the written document 515
adopted by the plan sponsor which outlines the plan of benefits, 516
conditions, limitations, exclusions, and other pertinent details 517
relative to the benefits provided to covered persons thereunder. 518

(T) "Third-party payer" has the same meaning as in section 519
3901.38 of the Revised Code. 520

Section 2. That existing section 3959.01 of the Revised 521
Code is hereby repealed. 522