

**205.5518 Required and prohibited actions by pharmacy benefit manager -- Penalty for violation.**

- (1) Notwithstanding any provisions of law to the contrary, beginning on March 27, 2020, and continuing until December 31, 2020, a pharmacy benefit manager contracted with a managed care organization to administer Medicaid benefits shall not:
  - (a) Adjust, modify, change, or amend reimbursement methodologies, dispensing fees, and any other fees paid by the pharmacy benefit manager to pharmacies licensed in the Commonwealth;
  - (b) Create, modify, implement, or indirectly establish any fee on a pharmacy, pharmacist, or a Medicaid recipient in the Commonwealth; and
  - (c) Make any adjustments, modifications, or changes to a pharmacy network for the managed care organization with whom the pharmacy benefit manager has contracted to administer Medicaid benefits.
- (2) Notwithstanding any provisions of law to the contrary, beginning on March 27, 2020, and continuing until December 31, 2020, a pharmacy benefit manager contracted with a managed care organization to administer Medicaid benefits shall:
  - (a) Administer, adjudicate, and, when appropriate, reimburse any pharmacy benefit claim submitted to the managed care organization prior to the termination of the contract between the pharmacy benefit manager and the managed care organization in accordance with the contract between the pharmacy benefit manager and the managed care organization; and
  - (b) Not be released from its obligation to make any payments owed to a pharmacy licensed in the Commonwealth for pharmacy services rendered prior to the termination of the contract between the pharmacy benefit manager and the managed care organization.
- (3) The department shall impose a fine of twenty-five thousand dollars (\$25,000) per day per separate violation on a pharmacy benefit manager who violates subsection (1) or (2) of this section.

**Effective:** March 27, 2020

**History:** Created 2020 Ky. Acts ch. 70, sec. 5, effective March 27, 2020.