START\_STATUTE20-3321.  Definitions

In this chapter, unless the context otherwise requires:

1.  "Auditing entity" means any person, company, group or plan working on behalf of or pursuant to a contract with an insurer or pharmacy benefits manager for the purposes of auditing pharmacy drug claims adjudicated by pharmacies.

2.  "Clerical errors" means a minor recordkeeping or transcribing error, including typographical errors, scrivner's errors or computer errors, in a required electronic or hard copy document, record or prescription order if both of the following criteria are met:

(a)  The error did not result in actual financial harm to an entity.

(b)  The error did not involve dispensing an incorrect dose or type of medication or dispensing a prescription drug to the wrong person.

3.  "Desktop audit" means an audit that is conducted by an auditing entity at a location other than the location of the pharmacist or pharmacy. Desktop audit includes an audit that is performed at the offices of the auditing entity during which the pharmacist or pharmacy provides requested documents for review by hard copy or by microfiche, disk or other electronic media.

4.  "In‑pharmacy audit" means an audit that is conducted by an auditing entity at the physical business address of the pharmacy where the claim was adjudicated.

5.  "Insurer" means a disability insurer, group disability insurer, blanket disability insurer, health care services organization, hospital service corporation, medical service corporation or hospital and medical service corporation.

6.  "List" means the list of drugs for which a pharmacy benefit manager has established a maximum allowable cost.

7.  "Maximum allowable cost":

(a)  Means the maximum amount that a pharmacy benefit manager will reimburse a pharmacy for the cost of a multisource drug.

(b)  Does not include the dispensing fee for the drug.

8.  "Pharmacist" has the same meaning prescribed in section 32‑1901.

9.  "Pharmacy" has the same meaning prescribed in section 32‑1901.

10.  "Pharmacy benefit manager" means a person, business or other entity that, pursuant to a contract or under an employment relationship with an insurer or other third-party payor, either directly or through an intermediary manages the prescription drug coverage provided by the insurer or other third‑party payor, including the processing and payment of claims for prescription drugs, the performance of drug utilization review, the processing of drug prior authorization requests, the adjudication of appeals or grievances related to prescription drug coverage, contracting with network pharmacies and controlling the cost of covered prescription drugs. END\_STATUTE