

REFERENCE TITLE: pharmacists; pharmacies; reimbursement costs; appeals

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 2196

Introduced by
Representative Bliss

AN ACT

AMENDING TITLE 20, CHAPTER 25, ARTICLE 2, ARIZONA REVISED STATUTES, BY
ADDING SECTION 20-3337; RELATING TO PHARMACY BENEFIT MANAGERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 20, chapter 25, article 2, Arizona Revised
3 Statutes, is amended by adding section 20-3337, to read:

4 20-3337. Pharmacy benefit managers; prescription drugs or
5 devices; reimbursement costs; appeals; procedures;
6 fee; exception; definitions

7 A. A PHARMACY BENEFIT MANAGER MAY NOT REIMBURSE A NONAFFILIATED
8 PHARMACIST OR NONAFFILIATED PHARMACY THAT IS UNDER CONTRACT WITH THE
9 PHARMACY BENEFIT MANAGER FOR A PRESCRIPTION DRUG OR DEVICE IN AN AMOUNT
10 THAT IS LESS THAN THE ACTUAL COST PAID BY THE NONAFFILIATED PHARMACIST OR
11 NONAFFILIATED PHARMACY.

12 B. SUBSECTION A OF THIS SECTION DOES NOT APPLY TO A PHARMACY
13 BENEFIT MANAGER THAT USES INGREDIENT COST REIMBURSEMENT METHODOLOGY FOR A
14 PRESCRIPTION DRUG OR DEVICE THAT IS IDENTICAL TO THE FEE-FOR-SERVICE
15 METHODOLOGY THAT IS USED IN THE STATE PLAN FOR MEDICAL ASSISTANCE AS
16 APPROVED BY THE CENTERS FOR MEDICARE AND MEDICAID SERVICES.

17 C. A PHARMACY BENEFIT MANAGER MAY NOT INCLUDE A PROFESSIONAL
18 DISPENSING FEE IN THE AMOUNT THAT IS CALCULATED TO REIMBURSE A PHARMACY
19 FOR A PRESCRIPTION DRUG OR DEVICE TO SATISFY THE REQUIREMENTS OF
20 SUBSECTION A OF THIS SECTION.

21 D. A PHARMACY BENEFIT MANAGER SHALL PAY A CONTRACTED PHARMACY A
22 PROFESSIONAL DISPENSING FEE AT A RATE NOT LESS THAN THE FEE-FOR-SERVICE
23 METHODOLOGY USED IN THE STATE PLAN FOR MEDICAL ASSISTANCE.

24 E. A PHARMACY BENEFIT MANAGER SHALL INCLUDE IN THE CONTRACT WITH
25 EACH PHARMACIST OR PHARMACY A PROCEDURE THAT OUTLINES HOW A PHARMACIST OR
26 PHARMACY MAY APPEAL A REIMBURSEMENT RATE THAT ALLEGEDLY DOES NOT COMPLY
27 WITH SUBSECTION A OF THIS SECTION. A PHARMACIST OR PHARMACY SHALL FILE AN
28 APPEAL WITHIN SEVEN BUSINESS DAYS AFTER THE DATE ON WHICH THE PHARMACIST
29 OR PHARMACY WAS REIMBURSED FOR A PRESCRIPTION DRUG OR DEVICE.

30 F. BEGINNING JANUARY 1, 2027, A PHARMACY BENEFIT MANAGER SHALL FILE
31 ITS APPEAL PROCEDURES AND ANY AMENDMENTS, CHANGES OR REVISIONS TO THE
32 APPEAL PROCEDURES WITH THE DEPARTMENT ON A FORM AND IN A MANNER PRESCRIBED
33 BY THE DEPARTMENT. THE DEPARTMENT SHALL APPROVE OR DENY A PHARMACY
34 BENEFIT MANAGER'S APPEAL PROCEDURE. THE APPEAL PROCEDURE SHALL INCLUDE A
35 PROVISION THAT ALLOWS AN AGENT OF A PHARMACIST OR PHARMACY TO SUBMIT AN
36 APPEAL ON BEHALF OF THE PHARMACIST OR PHARMACY. A PHARMACIST OR PHARMACY
37 MAY DESIGNATE A PHARMACY SERVICES ADMINISTRATIVE ORGANIZATION OR OTHER
38 AGENT TO FILE AND CONDUCT THE APPEAL.

39 G. IF A NONAFFILIATED PHARMACIST OR NONAFFILIATED PHARMACY PREVAILS
40 IN AN APPEAL OF A REIMBURSEMENT COST UNDER THIS SECTION, THE PHARMACY
41 BENEFIT MANAGER SHALL COMPLETE ALL OF THE FOLLOWING NOT LATER THAN SEVEN
42 BUSINESS DAYS AFTER THE DATE THE NONAFFILIATED PHARMACIST OR NONAFFILIATED
43 PHARMACY PREVAILED ON APPEAL:

44 1. MAKE THE NECESSARY CHANGE TO THE CHALLENGED REIMBURSEMENT OR
45 ACTUAL COST.

1 2. PROVIDE THE PHARMACIST OR PHARMACY WITH THE NATIONAL DRUG CODE
2 NUMBER FOR A PRESCRIPTION DRUG, IF THE APPEAL WAS BASED ON A PRESCRIPTION
3 DRUG.

4 3. ALLOW THE PHARMACIST OR PHARMACY TO REVERSE AND REBILL THE
5 CLAIM.

6 4. REIMBURSE THE PHARMACIST'S OR PHARMACY'S ACTUAL COST FOR THE
7 PRESCRIPTION DRUG OR DEVICE.

8 5. APPLY THE FINDINGS OF THE APPEAL TO THE REIMBURSEMENT RATE AND
9 ACTUAL COST FOR THE PRESCRIPTION DRUG OR DEVICE TO OTHER SIMILARLY
10 SITUATED PHARMACISTS AND PHARMACIES THAT ARE REIMBURSED AT OR BELOW THE
11 APPEALED RATE.

12 H. IF A PHARMACY BENEFIT MANAGER PREVAILS IN AN APPEAL OF A
13 REIMBURSEMENT COST UNDER THIS SECTION AND THE PRESCRIPTION DRUG OR DEVICE
14 THAT IS THE SUBJECT OF THE APPEAL IS AVAILABLE AT A COST THAT IS EQUAL TO
15 OR LESS THAN THE CHALLENGED REIMBURSEMENT COST, THE PHARMACY BENEFIT
16 MANAGER SHALL PROVIDE TO THE PHARMACIST OR PHARMACY BOTH OF THE FOLLOWING
17 NOT LATER THAN SEVEN BUSINESS DAYS AFTER THE PHARMACY BENEFIT MANAGER
18 PREVAILED ON APPEAL:

19 1. THE NAME OF THE NATIONAL OR REGIONAL PHARMACEUTICAL WHOLESALER
20 THAT DOES BUSINESS IN THIS STATE AND THAT HAS THE PRESCRIPTION DRUG OR
21 DEVICE IN STOCK AT A PRICE THAT IS EQUAL TO OR LESS THAN THE CHALLENGED
22 REIMBURSEMENT COST.

23 2. THE NATIONAL DRUG CODE NUMBER FOR THE PRESCRIPTION DRUG OR THE
24 UNIQUE IDENTIFIER FOR THE DEVICE, AS APPLICABLE.

25 I. IF THE PHARMACY BENEFIT MANAGER DOES NOT COMPLY WITH SUBSECTION
26 A OF THIS SECTION, THE PHARMACY BENEFIT MANAGER SHALL:

27 1. ADJUST THE CHALLENGED REIMBURSEMENT COST TO AN AMOUNT THAT IS
28 EQUAL TO OR GREATER THAN THE PHARMACIST'S OR PHARMACY'S ACTUAL COST.

29 2. ALLOW THE PHARMACIST OR PHARMACY TO REVERSE AND REBILL EACH
30 CLAIM THAT IS AFFECTED BY THE INABILITY TO OBTAIN THE PRESCRIPTION DRUG OR
31 DEVICE AT A COST THAT IS EQUAL TO OR LESS THAN THE CHALLENGED
32 REIMBURSEMENT.

33 J. THE DIRECTOR MAY ESTABLISH BY RULE A FEE FOR THE COSTS TO
34 ADMINISTER THE PHARMACY APPEALS PROCESS.

35 K. THIS SECTION DOES NOT APPLY TO HEALTH AND ACCIDENT INSURANCE
36 COVERAGE THAT IS PROCURED BY THE DEPARTMENT OF ADMINISTRATION PURSUANT TO
37 SECTION 38-651.

38 L. FOR THE PURPOSES OF THIS SECTION:

39 1. "NONAFFILIATED PHARMACIST OR NONAFFILIATED PHARMACY" MEANS A
40 PHARMACIST OR A PHARMACY THAT IS NOT OWNED, DIRECTLY OR INDIRECTLY, BY
41 EITHER OF THE FOLLOWING:

42 (a) A PHARMACY BENEFIT MANAGER COMPANY OR A SUBSIDIARY OF A
43 PHARMACY BENEFIT MANAGER.

44 (b) A COMPANY THAT HAS AN OWNERSHIP INTEREST, DIRECTLY OR
45 INDIRECTLY, IN A PHARMACY BENEFIT MANAGER.

1 2. "SIMILARLY SITUATED PHARMACISTS OR PHARMACIES" MEANS PHARMACISTS
2 OR PHARMACIES THAT ARE UNDER CONTRACT WITH A PHARMACY BENEFIT MANAGER
3 EITHER DIRECTLY OR THROUGH A PHARMACY SERVICES CONTRACTING ORGANIZATION,
4 THAT PURCHASE A PRESCRIPTION DRUG OR DEVICE THAT IS THE SUBJECT OF AN
5 APPEAL WITH THE PHARMACY BENEFIT MANAGER OF A REIMBURSEMENT COST THAT
6 ALLEGEDLY DOES NOT COMPLY WITH SUBSECTION A OF THIS SECTION AS THE
7 PHARMACIST OR PHARMACY THAT PREVAILED IN THE APPEAL AND TO WHOM THE
8 PHARMACY BENEFIT MANAGER APPLIES THE CHALLENGED REIMBURSEMENT RATE OR LESS
9 THAN THE CHALLENGED REIMBURSEMENT RATE FOR THE PRESCRIPTION DRUG OR
10 DEVICE.

11 3. "STATE PLAN" MEANS THE ARIZONA HEALTH CARE COST CONTAINMENT
12 SYSTEM.

13 Sec. 2. Applicability

14 Section 20-3337, Arizona Revised Statutes, as added by this act,
15 applies to contracts that are entered into, amended, extended or renewed
16 on or after December 31, 2026.