

REFERENCE TITLE: pharmacies; cost sharing requirement; rebates

State of Arizona  
Senate  
Fifty-seventh Legislature  
Second Regular Session  
2026

# SB 1225

Introduced by  
Senator Fernandez

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; third-party payors; cost  
5 sharing requirement; prescription drugs

6 A. A PHARMACY BENEFIT MANAGER OR A THIRD-PARTY PAYOR SHALL REQUIRE  
7 THAT A COVERED INDIVIDUAL'S COST SHARING REQUIREMENT FOR A PRESCRIPTION  
8 DRUG BE CALCULATED AT THE POINT OF SALE BASED ON A PRICE THAT IS REDUCED  
9 BY AN AMOUNT EQUAL TO AT LEAST ONE HUNDRED PERCENT OF ALL REBATES THAT ARE  
10 RECEIVED BY THE PHARMACY BENEFIT MANAGER OR THIRD-PARTY PAYOR FOR THE  
11 PRESCRIPTION DRUG.

12 B. A PHARMACY BENEFIT MANAGER OR THIRD-PARTY PAYOR MAY NOT RETAIN  
13 ANY PORTION OF A REBATE OR OTHER PRICE CONCESSION AS A SOURCE OF REVENUE.

14 C. THIS SECTION DOES NOT PREVENT A PHARMACY BENEFIT MANAGER OR  
15 THIRD-PARTY PAYOR FROM DECREASING A COVERED INDIVIDUAL'S COST SHARING  
16 REQUIREMENT BY AN AMOUNT GREATER THAN WHAT IS REQUIRED IN SUBSECTION A OF  
17 THIS SECTION.

18 D. FOR THE PURPOSES OF THIS SECTION:

19 1. "COST SHARING REQUIREMENT" MEANS ANY COPAYMENT, COINSURANCE,  
20 DEDUCTIBLE OR OTHER COVERED INDIVIDUAL OBLIGATION FOR A COVERED  
21 PRESCRIPTION DRUG.

22 2. "COVERED INDIVIDUAL" MEANS AN INSURED, ENROLLEE OR SUBSCRIBER  
23 WHO IS ELIGIBLE TO RECEIVE BENEFITS THROUGH A HEALTH CARE PLAN AS DEFINED  
24 IN SECTION 20-3335.

25 3. "REBATE" MEANS:

26 (a) NEGOTIATED PRICE CONCESSIONS, INCLUDING BASE PRICE CONCESSIONS  
27 AND REASONABLE ESTIMATES OR ANY PRICE PROTECTION REBATES AND  
28 PERFORMANCE-BASED REBATES, THAT MAY ACCRUE DIRECTLY OR INDIRECTLY TO THE  
29 PHARMACY BENEFIT MANAGER OR THIRD-PARTY PAYOR DURING THE COVERAGE YEAR  
30 FROM A MANUFACTURER, DISPENSING PHARMACY OR OTHER PARTY IN CONNECTION WITH  
31 DISPENSING THE PRESCRIPTION DRUG.

32 (b) ADMINISTRATION FEES AND OTHER PAYMENTS THAT ARE COLLECTED BY  
33 THE PHARMACY BENEFIT MANAGER OR THIRD-PARTY PAYOR FROM A MANUFACTURER.

34 Sec. 2. Applicability

35 This act applies to subscription contracts, policies and evidences  
36 of coverage that are entered into, renewed, extended or modified from and  
37 after December 31, 2026.