AN ACT

ENTITLED, An Act to revise certain provisions regarding pharmacy benefit managers.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That chapter 58-29E be amended by adding a NEW SECTION to read:

No pharmacy benefit manager shall contractually require a pharmacy, who is a participating provider in a health plan provided by a covered entity, to charge or collect from an insured a cost share for a prescription or pharmacy service that exceeds the amount retained by the pharmacist or pharmacy from all payment sources for the filling of the prescription or providing the pharmacy service.

Section 2. That chapter 58-29E be amended by adding a NEW SECTION to read:

No pharmacy benefit manager contracting with a covered entity shall retroactively adjust a claim for reimbursement submitted by a pharmacy for a prescription drug unless the adjustment is a result of either of the following:

1. A pharmacy audit conducted in accordance with chapter 58-29F; or
2. A technical billing error.

Section 3. That chapter 58-29E be amended by adding a NEW SECTION to read:

Nothing in this Act shall prohibit a pharmacy benefit manager from adjusting claim payment for the benefit of a covered individual if there was an error in the adjudication of a claim submitted by or on behalf of the covered individual.

Section 4. That chapter 58-29E be amended by adding a NEW SECTION to read:

No pharmacy benefit manager may discriminate against a pharmacy participating in a health plan as an entity authorized to participate under section 340B of the Public Health Service Act, as amended to January 1, 2019, or any pharmacy under contract with such an entity to provide prescriptions. For the purposes of this chapter, a retail pharmacy is any pharmacy licensed under the
laws of this state, and no pharmacy benefit manager may, by contract, modify that definition.
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I certify that the attached Act originated in the HOUSE as Bill No. 1137

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Chief Clerk
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Speaker of the House

Attest:

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Chief Clerk
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The attached Act is hereby approved this ______ day of _____________ , A.D., 20___

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Governor
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STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

Filed ____________ , 20___
at _________ o'clock ___ M.

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Secretary of State
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Asst. Secretary of State