

PROPOSED AMENDMENT

SB 173 # 4

DIGEST

Specialty drugs. Prohibits an insurer, pharmacy benefit manager, or other administrator of pharmacy benefits from designating a prescription drug as a specialty drug unless certain conditions are met.

- 1 Page 21, between lines 1 and 2, begin a new paragraph and insert:
2 "SECTION 21. IC 27-1-24.2-16, AS ADDED BY P.L.189-2025,
3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2026]: Sec. 16. (a) Except as provided in section 15 of this
5 chapter, with respect to the provision of pharmacy or pharmacist
6 services under a health plan, an insurer, a pharmacy benefit manager,
7 or any other administrator of pharmacy benefits may not:
8 (1) prohibit a pharmacy or pharmacist from, or impose a penalty
9 on a pharmacy or pharmacist for:
10 (A) selling a lower cost alternative to an insured, if a lower
11 cost alternative is available; or
12 (B) providing information to an insured under subsection (c);
13 (2) discriminate against any pharmacy or pharmacist that is:
14 (A) located within the geographic coverage area of the health
15 plan; and
16 (B) willing to agree to, or accept, terms and conditions
17 established for participation in the insurer's, pharmacy benefit
18 manager's, other administrator's, or health plan's network;
19 (3) impose limits, including quantity limits or refill frequency
20 limits, on an insured's access to medication from a pharmacy that
21 are more restrictive than those existing for a pharmacy affiliate;
22 (4) except as provided in subsection (b), require an insured to
23 receive pharmacy or pharmacist services from a pharmacy
24 affiliate, including:
25 (A) requiring an insured to obtain a specialty drug from a
26 pharmacy affiliate; and
27 (B) charging less cost sharing to insureds that use pharmacy

- 1 affiliates than what is charged to insureds that use
 2 nonaffiliated pharmacies;
- 3 (5) require a pharmacy or pharmacist to enter into an additional
 4 contract with an affiliate of the insurer, pharmacy benefit
 5 manager, or other administrator of pharmacy benefits as a
 6 condition of entering into a contract with this insurer, pharmacy
 7 benefit manager, or administrator; ~~or~~
- 8 (6) require a pharmacy or pharmacist to, as a condition of a
 9 contract, agree to payment rates for any affiliate of the insurer,
 10 pharmacy benefit manager, or other administrator of pharmacy
 11 benefits that is not a party to the contract; ~~or~~
- 12 **(7) designate a prescription drug as a specialty drug unless the**
 13 **drug is a limited distribution that:**
- 14 **(A) requires special handling; and**
 15 **(B) is not commonly carried at retail pharmacies or**
 16 **oncology clinics or practices.**
- 17 (b) Subsection (a)(4):
- 18 (1) does not apply to a mail order pharmacy; and
- 19 (2) may not be construed to prohibit:
- 20 (A) communications to insureds regarding networks and prices
 21 if the communication is accurate and includes information
 22 about all eligible nonaffiliated pharmacies; or
- 23 (B) an insurer, a pharmacy benefit manager, or any other
 24 administrator of pharmacy benefits from providing financial
 25 incentives for utilizing the network, if the insurer, pharmacy
 26 benefit manager, or other administrator complies with this
 27 section and section 14 of this chapter.
- 28 (c) A pharmacist shall have the right to provide an insured with
 29 information regarding lower cost alternatives to assist the insured in
 30 making informed decisions."
- 31 Renumber all SECTIONS consecutively.
 (Reference is to SB 173 as introduced.)