



# COMMITTEE REPORT

**MR. PRESIDENT:**

**The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 173, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:**

- 1       Page 16, delete lines 7 through 42.
- 2       Delete pages 17 through 20.
- 3       Page 21, delete lines 1 through 17, begin a new paragraph and
- 4       insert:
- 5       "SECTION 21. IC 27-1-24.2-16, AS ADDED BY P.L.189-2025,
- 6       SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 7       JULY 1, 2026]: Sec. 16. (a) Except as provided in section 15 of this
- 8       chapter, with respect to the provision of pharmacy or pharmacist
- 9       services under a health plan, an insurer, a pharmacy benefit manager,
- 10      or any other administrator of pharmacy benefits may not:
- 11       (1) prohibit a pharmacy or pharmacist from, or impose a penalty
- 12       on a pharmacy or pharmacist for:
- 13       (A) selling a lower cost alternative to an insured, if a lower
- 14       cost alternative is available; or
- 15       (B) providing information to an insured under subsection (c);
- 16      (2) discriminate against any pharmacy or pharmacist that is:
- 17       (A) located within the geographic coverage area of the health
- 18       plan; and
- 19       (B) willing to agree to, or accept, terms and conditions

- 1 established for participation in the insurer's, pharmacy benefit
- 2 manager's, other administrator's, or health plan's network;
- 3 (3) impose limits, including quantity limits or refill frequency
- 4 limits, on an insured's access to medication from a pharmacy that
- 5 are more restrictive than those existing for a pharmacy affiliate;
- 6 (4) except as provided in subsection (b), require an insured to
- 7 receive pharmacy or pharmacist services from a pharmacy
- 8 affiliate, including:
  - 9 (A) requiring an insured to obtain a specialty drug from a
  - 10 pharmacy affiliate; and
  - 11 (B) charging less cost sharing to insureds that use pharmacy
  - 12 affiliates than what is charged to insureds that use
  - 13 nonaffiliated pharmacies;
  - 14 (5) require a pharmacy or pharmacist to enter into an additional
  - 15 contract with an affiliate of the insurer, pharmacy benefit
  - 16 manager, or other administrator of pharmacy benefits as a
  - 17 condition of entering into a contract with this insurer, pharmacy
  - 18 benefit manager, or administrator; ~~or~~
  - 19 (6) require a pharmacy or pharmacist to, as a condition of a
  - 20 contract, agree to payment rates for any affiliate of the insurer,
  - 21 pharmacy benefit manager, or other administrator of pharmacy
  - 22 benefits that is not a party to the contract; **or**
  - 23 **(7) designate a prescription drug as a specialty drug unless the**
  - 24 **drug is a limited distribution that:**
    - 25 **(A) requires special handling; and**
    - 26 **(B) is not commonly carried at retail pharmacies or**
    - 27 **oncology clinics or practices.**
  - 28 (b) Subsection (a)(4):
    - 29 (1) does not apply to a mail order pharmacy; and
    - 30 (2) may not be construed to prohibit:
      - 31 (A) communications to insureds regarding networks and prices
      - 32 if the communication is accurate and includes information
      - 33 about all eligible nonaffiliated pharmacies; or
      - 34 (B) an insurer, a pharmacy benefit manager, or any other
      - 35 administrator of pharmacy benefits from providing financial
      - 36 incentives for utilizing the network, if the insurer, pharmacy
      - 37 benefit manager, or other administrator complies with this
      - 38 section and section 14 of this chapter.

- 1 (c) A pharmacist shall have the right to provide an insured with
- 2 information regarding lower cost alternatives to assist the insured in
- 3 making informed decisions."
- 4 Page 22, line 25, delete ";" and insert **"are made;"**.
- 5 Page 23, line 8, after "2." insert **"As used in this chapter, "clinical**
- 6 **peer" has the meaning set forth in IC 27-1-37.5-1.7.**
- 7 **Sec. 3."**
- 8 Page 23, line 12, delete "3." and insert **"4. As used in this chapter,**
- 9 **"health care provider" has the meaning set forth in**
- 10 **IC 27-1-37.5-3.9.**
- 11 **Sec. 5."**
- 12 Page 23, line 42, delete "4." and insert **"6."**
- 13 Page 24, line 5, delete "5." and insert **"7."**
- 14 Page 24, line 10, delete "physician" and insert **"clinical peer"**.
- 15 Page 24, line 11, delete "under IC 25-22.5;" and insert **"in the**
- 16 **requisite health field concerning the claim;"**.
- 17 Page 24, line 12, delete "physician;" and insert **"health care**
- 18 **provider;"**.
- 19 Page 24, line 15, delete "6." and insert **"8."**
- 20 Page 24, line 17, delete "7." and insert **"9."**
- 21 Page 24, line 18, delete "physician" and insert **"health care**
- 22 **provider"**.
- 23 Page 24, line 32, delete "physician" and insert **"clinical peer"**.
- 24 Page 24, line 34, delete "8" and insert **"10"**.
- 25 Page 24, line 36, delete "8." and insert **"10."**
- 26 Page 24, line 36, delete "physicians" and insert **"health care**
- 27 **providers"**.
- 28 Page 25, line 4, delete "physician" and insert **"health care**
- 29 **provider"**.
- 30 Page 25, line 7, delete "9." and insert **"11."**
- 31 Page 25, line 8, delete "physicians" and insert **"health care**
- 32 **providers"**.
- 33 Page 25, line 10, delete "10." and insert **"12."**
- 34 Page 25, delete lines 20 through 42.

- 1 Delete pages 26 through 31.
- 2 Page 32, delete lines 1 through 28.
- 3 Renumber all SECTIONS consecutively.  
(Reference is to SB 173 as introduced.)

**and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.**

Committee Vote: Yeas 10, Nays 0.

**Charbonneau**

**Chairperson**