

Table of California's Existing PBM Regulation

Compiled by Jonathan Perrone, U.C. Hastings, San Francisco

Law	Summary
B&P Code Secs 4112, 4120, 4124, 4127.2, 4149, 4303, 4340	Regulation of non-resident pharmacies which includes PBM mail-order pharmacies.
B&P Code Sec 4433	PBM Audits of Pharmacies
B&P Code Sec 4440	PBM/Pharmacy contracts re maximum allowable costs (MAC).
H&S Code Sec 1342.7	Standard for approval of copayment, deductible, limitation or exclusion to plan drug benefits.
H&S Code Sec 1342.71 (c), Ins Code Sec 10123.193 (c)	Coverage for medically necessary prescription drugs, including non-formulary drugs determined to be medically necessary.
H&S Code Sec 1342.71 (d) (1), Ins Code Sec 10123.193 (e)(1)	Formularies “shall not discourage the enrollment of individuals with health conditions.”
H&S Code Sec 1342.71 (e) (1), Ins Code Sec 10123.193 (f)(1)	Limits the copayment, coinsurance, or any other form of cost sharing for a covered outpatient prescription drug for an individual prescription for a supply of up to 30 days to \$250.
H&S Code Sec 1342.71 (e) (2), Ins Code Sec 10123.193 (f)(2)	Limits bronze level cost sharing for a covered outpatient prescription drug for an individual prescription for a supply of up to 30 days to \$500.
H&S Code 1342.71 (f) (1), Ins Code Sec 10123.193 (g)(1)	Defines tiers in formulary.
H&S Code 1342.71 (g), Ins Code Sec 10123.193 (i)	Requires placement of prescription drugs on formulary tiers be based on clinically indicated, reasonable medical management practices.
H&S Code Sec 1363.01	Notice and explanation of formulary.
H&S Code Sec 1367.01	Decisions/Appeals re medical necessity.
H&S Code Sec 1367.22	Prohibits limitation or exclusion of coverage for a drug for an enrollee if the drug previously had been approved for coverage by the plan for a medical condition of the enrollee and the plan’s prescribing provider continues to prescribe the drug.
H&S Code Sec 1367.24	Expeditious process by which prescribing providers may obtain authorization for a medically necessary non-formulary prescription drug
H&S Code Sec 1367.241	Prior authorization.
H&S Code Sec 1367.244	Step therapy.
H&S Code Sec 1367.41 (b), Ins Code Sec 10123.201 (b)	Specifies membership, qualifications for pharmacy and therapeutics committee (P&T) board membership.

H&S Code Sec 1367.41 (f), Ins Code Sec 10123.201 (b)(6)	Specifies pharmacy and therapeutics (P&T) committee duties including “base clinical decisions on the strength of the scientific evidence and standards of practice...”
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