

# State PBM Reform Inventory

Updated March 2026

## Pennsylvania

Issue	Summary	Citation
Licensing/Registration	<p>A PBM or auditing entity must register with the Department of Insurance. The Department shall make an application form available on its website and establish application and renewal fees not to exceed \$10,000. Registrations expire 2 years from the date of issuance.</p> <p>Note: Chapter 5 is the only part of the Pharmacy Benefit Reform Act that applies to ERISA plans.</p>	<p><a href="#">2016 Act 169 Ch. 5</a></p>
Reporting Requirements	<p>Beginning July 1, 2026, and annually thereafter, each registered PBM shall submit to the department a transparency report containing data for each health insurer client in this Commonwealth from the prior calendar year. The transparency report shall contain the following information:</p> <ul style="list-style-type: none"> <li>• The aggregate amount of all rebates that the PBM received from all pharmaceutical manufacturers for all health insurer clients and for each health insurer client;</li> <li>• The aggregate administrative fees that the PBM received from all manufacturers for all health insurer clients and for each health insurer client;</li> <li>• The aggregate-retained rebates that the PBM received from all pharmaceutical manufacturers and did not pass through to health insurer clients;</li> <li>• The highest, lowest and mean aggregate retained rebate percentage for all health insurer clients and for each health insurer client; and</li> <li>• For a PBM that controls or is affiliated with a pharmacy, a description of any differences between what the PBM reimburses or charges affiliated and nonaffiliated pharmacies.</li> </ul> <p>The department may, by regulation, direct PBMs to include additional categories for aggregated data from health insurer clients in the annual transparency report.</p>	<p><a href="#">2016 Act 169 Ch. 7</a></p>

<p>PBM Income</p>	<p><b>Rebate Pass-Through:</b> A PBM shall pass through to the health benefit plan no less than 95% of any prescription drug manufacturer rebate obtained by the PBM on behalf of a health insurer client if the health benefit plan delegates negotiation of the rebate to the PBM.</p> <p><b>Spread Pricing:</b> The department may conduct an analysis on the impact of spread pricing and patient steering on the cost of prescription drugs to consumers and pharmacy access.</p>	<p><a href="#">2016 Act 169 Ch. 6</a></p> <p><a href="#">2016 Act 169 Ch. 9</a></p>
<p>Pharmacy Contracting</p>	<p><b>Patient Steering:</b> A PM may not reimburse a retail pharmacy an amount less than the amount that the PBM reimburses a PBM-affiliated retail pharmacy for providing the same pharmacy services.</p> <p>A health benefit plan, health insurer or PBM contracting with a health benefit plan or insurer may not:</p> <ul style="list-style-type: none"> <li>• Require a covered individual, as a condition of payment or reimbursement, to purchase pharmacy services exclusively through a mail-order pharmacy or PBM retail pharmacy affiliate;</li> <li>• Prohibit or limit a covered individual from selecting an in-network pharmacy or pharmacist of the individual's choice if that pharmacy or pharmacist meets and agrees to the terms and conditions in the PBM's contract;</li> <li>• Require a covered individual to use a PBM-affiliated retail pharmacy;</li> <li>• Transfer a covered individual's prescriptions from an in-network pharmacy to another pharmacy unless requested by the covered individual;</li> <li>• Use financial incentives, including, but not limited to, adjustments in cost sharing obligations of a covered individual, to the exclusive benefit of a PBM-affiliated retail pharmacy; or</li> <li>• Auto-enroll a covered individual in mail-order pharmacy services, except in the case of maintenance medications, provided the auto-enrollment may not take place in the first 90 days of a new maintenance medication and the covered individual shall have the opportunity to opt-out of mail-order pharmacy services.</li> </ul>	<p><a href="#">2016 Act 169 Ch. 6</a></p> <p><a href="#">2016 Act 169 Ch. 7</a></p> <p><a href="#">2016 Act 169 Ch. 8</a></p> <p><a href="#">2016 Act 169 Ch. 9</a></p>

	<p>Under Pennsylvania's network adequacy law, a PBM may not limit its retail pharmacy network to only affiliated pharmacies.</p> <p><b>MAC Pricing:</b> In order to place a particular drug on a multiple source generic list, a PBM shall ensure that:</p> <ul style="list-style-type: none"> <li>• The drug is listed as "A" or "B" rated in the most recent version of the FDA's "Approved Drug Products with Therapeutic Equivalence Evaluations," commonly known as the orange book, or "NR" or "NA" rated, or similar rating, by a nationally recognized reference;</li> <li>• There are at least two therapeutically equivalent multiple source drugs or at least one generic drug available from only one manufacturer; and</li> <li>• The drug is available for purchase by all pharmacies in this Commonwealth from national or regional wholesalers and is not obsolete or temporarily unavailable.</li> </ul> <p>A PBM must maintain a procedure to eliminate drugs from the list of drugs subject to multiple source drug pricing or modify the MAC in a timely fashion.</p> <p>Upon each contract execution or renewal, a PBM shall, with respect to contracts between a PBM and a pharmacy, or its representative, including a PSAO:</p> <ul style="list-style-type: none"> <li>• Include in the contract the sources utilized to determine multiple source drug pricing, including, if applicable, the MAC or any successive pricing formula of the PBM;</li> <li>• Update the pricing information every 7 calendar days; and</li> <li>• Establish a reasonable process by which pharmacies have a method to access relevant or current MAC pricing lists in effect and any successive pricing formulas in a timely fashion.</li> </ul> <p>All contracts between a PBM and a pharmacy or PSAO shall include a process to appeal, investigate, and resolve disputes regarding multiple source drug pricing, which shall include:</p> <ul style="list-style-type: none"> <li>• The right to appeal shall be limited to 14 calendar days following the initial claim;</li> </ul>	
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<p>Patient Cost-Sharing</p>	<p><b>Maximum Cost-Sharing Levels:</b></p> <p>A pharmacy may not charge a patient an amount for a covered drug that exceeds the lesser of:</p> <ul style="list-style-type: none"> <li>• The net reimbursement paid to the pharmacy for the prescription drug by the health benefit plan, health insurer or PBM contracting with a health benefit plan or health insurer; or</li> <li>• The amount an individual would pay for the prescription drug if the prescription drug were purchased without coverage under a health benefit plan.</li> </ul> <p>A health benefit plan, health insurer, or PBM may not collect from the member any difference in cost sharing the member pays to the pharmacy and the member's defined cost sharing in the member's benefit plan.</p>	<p><a href="#">2016 Act 169</a> <a href="#">Ch. 6</a></p>
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