State PBM Reform Inventory

Updated October 2026

Pennsylvania

Issue	Summary	Citation
Licensing/Registration	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. Note: Chapter 5 is the only part of the Pharmacy Benefit Reform Act that applies to ERISA plans.	40 PA Cons Stat § 4521 (2025)
Reporting Requirements	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: • 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; • The aggregate administrative fees that the PBM received from all manufacturers for all health insurer clients and for each health insurer client; • The aggregate-retained rebates that the PBM received from all pharmaceutical manufacturers and did not pass through to health insurer clients; • The highest, lowest and mean aggregate retained rebate percentage for all health insurer clients and for each health insurer client; and • 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. The department may, by regulation, direct PBMs to include additional categories for aggregated data from health insurer clients in the annual transparency report.	40 P.S. Insurance § 4533.1

PBM Income	**Rebate Pass-Through:** 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. **Spread Pricing:** 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.	1 40 P.S. § 4503; 40 P.S. Insurance § 4533.1
Pharmacy Contracting	**Patient Steering:** 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. A health benefit plan, health insurer or PBM contracting with a health benefit plan or insurer may not: • 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; • 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; • Require a covered individual to use a PBM-affiliated retail pharmacy; • Transfer a covered individual's prescriptions from an in-network pharmacy to another pharmacy unless requested by the covered individual; • 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 • 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.	40 P.S. Insurance § 4526; 2016 Act 169 Ch. 7-9; 55 Pa. Code § 1121.56

	Under Pennsylvania's network adequacy law, a PBM may not limit its retail pharmacy network to only affiliated pharmacies. **MAC Pricing:** In order to place a particular drug on a multiple source generic list, a PBM shall ensure that: • 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; • There are at least two therapeutically equivalent multiple source drugs or at least one generic drug available from only one manufacturer; and • The drug is available for purchase by all pharmacies in this Commonwealth from national or regional wholesalers and is not obsolete or temporarily unavailable. 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. 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: • 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; • Update the pricing information every 7 calendar days; and • 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. 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: • The right to appeal shall be limited to 14 calendar days following the initial claim;	

	• The appeal shall be investigated and resolved by the PBM through an internal process within 14 calendar days of receipt of the appeal by the PBM;
	• A telephone number at which a pharmacy may contact the PBM and speak with an individual who is involved in the appeals process;
	• If a PBM denies an appeal, the PBM shall provide the reason for the denial and identify the NDC of an equivalent drug that is available for purchase by network retail pharmacies in this Commonwealth from wholesalers at a price that is equal to or less than the MAC for the appealed drug as determined by the PBM; and
	• If a PBM grants an appeal, the PBM shall make the price correction, permit the reporting pharmacy to reverse and rebill the appealed claim and make the price correction effective for all similarly situated pharmacies from the date of the approved appeal.
	
	Minimum Reimbursement (Study):
	The department may conduct an analysis of the impact to consumers and pharmacies of requiring a health benefit plan or PBM contracting with a health benefit plan to reimburse a pharmacy utilizing the NADAC plus a professional dispensing fee of $10.49.
	
	Minimum Reimbursement (PACE and PACENET):
	• The Department of Aging shall pay for prescription drugs under the following formula:
	  ○ If the NADAC per unit is available, the payment shall be the lower of:
	  ▪ The NADAC per unit plus a professional dispensing fee of $13, minus the applicable copayment; or
	  ▪ The pharmacy's usual and customary charge for the drug, minus the copayment.
	  ○ If the NADAC per unit is not available, the department shall substitute using the drug's WAC plus 3.2%.
	• For generic drugs, the department shall reimburse providers based on the most current listing of the NADAC per unit plus a professional dispensing fee of $13 per prescription.	

Patient Cost-Sharing	**Maximum Cost-Sharing Levels:** A pharmacy may not charge a patient an amount for a covered drug that exceeds the lesser of: • 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 • The amount an individual would pay for the prescription drug if the prescription drug were purchased without coverage under a health benefit plan. 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.	40 P.S. Insurance § 4527