State PBM Reform Inventory

Updated October 2026

South Carolina

Issue	Summary	Citation
Licensing/Registration	A person or organization may not establish or operate as a PBM in this State for health benefit plans without obtaining a license from the Director of the Department of Insurance. The director shall prescribe the application for a license to operate in this State as a PBM and may charge an initial application fee of $1,000 and an annual renewal fee of $500.	S.C. Code Ann. § 38-71-2210
Reporting Requirements	N/A	
PBM Income	N/A	
Pharmacy Contracting	**Patient Steering:** A PBM must not directly or indirectly engage in patient steering to a pharmacy that is a PBM affiliate without first making a written disclosure to the patient informing such patient of the PBM's relationship with the pharmacy and providing the patient with access to information about unaffiliated, in-network pharmacies that are located near the patient. A PBM must not prohibit a patient from choosing to use an alternative in-network pharmacy. A PBM shall not require the use of mail order for filling prescriptions unless required to do so by the health benefit plan or the health benefit plan design. A PBM shall not engage in an anticompetitive pattern of reimbursing independent or unaffiliated pharmacies or pharmacists in this State consistently less than the amount that the PBM reimburses a PBM affiliate for providing the same pharmacist services or prescription drug unless the difference in reimbursement is justified according to uniform, defined standards that apply to each network provider. A PBM may neither limit an insured from selecting an in-network pharmacy or pharmacist of the insured's choice nor deny the right of a pharmacy or pharmacist to participate in a network if the pharmacy or pharmacist meets the requirements	S.C. Code Ann. § 38-71-2230; S.C. Code Ann. § 38-71-2245; S.C. Code Ann. § 38-71-2240

	for network participation set forth by the PBM, and the pharmacy or pharmacist agrees to the contract terms, conditions, and rates of reimbursements. This requirement does not apply to high-cost prescription drugs, defined as having a WAC greater than 300% of the federal poverty level for a single- member household. **MAC Pricing:** Before a PBM places or continues to place a particular drug on a MAC List, the drug must: • Be listed as "A" or "B" rated in the most recent version of the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations, also known as the Orange Book, or has an "NR" or "NA" rating, or a similar rating, by a nationally recognized reference; • Be available for purchase in the State from national or regional wholesalers operating in this State; and • Not be obsolete. A PBM shall: • Provide a process for network pharmacy providers to readily access the MAC specific to that provider; • Update its MAC List at least once every 7 calendar days; • Provide a process for each pharmacy subject to the MAC List to access any updates to the MAC List; • Ensure that dispensing fees are not included in the calculation of MAC; • Establish a reasonable internal appeal procedure by which a contracted pharmacy can appeal the provider's reimbursement for a drug subject to MAC pricing if the reimbursement for the drug is less than the net amount that the network provider paid to the suppliers of the drug. A pharmacy must be allowed no less than 10 calendar days after the applicable fill date to file an internal appeal or request for an external review of a denied internal appeal. The reasonable internal appeal procedure must include: ○ A dedicated telephone number and email address or website for the purpose of submitting internal appeals; and ○ The ability to submit an internal appeal directly to the PBM regarding the pharmacy benefits plan or program,	

	or through a pharmacy service administrative organization if the pharmacy service administrative organization has a contract with the PBM that allows for the submission of such appeals;
	• If an internal appeal is filed, the PBM shall respond within 10 calendar days.
	  ○ If an appeal is upheld, the PBM shall notify the pharmacy or pharmacist or his designee of the decision, make the change in the MAC effective as of the date the internal appeal is resolved, permit the appealing pharmacy or pharmacist to reverse and rebill the claim in question, and make the change effective for each similarly situated pharmacy.
	  ○ If an appeal is denied, the PBM shall provide the appealing pharmacy or pharmacist the reason for the denial, the NDC number, and the name of the national or regional pharmaceutical wholesalers operating in this State; and notify the pharmacy or pharmacist in writing of the right to request an external review of the internal appeal and include clear and concise documents describing the external review process.
	• Participate in a reasonable external review procedure by which a contracted pharmacy can request an external review of a PBM's denial of an internal appeal by an independent review organization in accordance with the procedures promulgated by the director; and
	• Permit an unaffiliated retail pharmacy to participate in programs that reconcile payments with actual cost on the same basis as retail PBM affiliates.
	
	The MAC pricing regulations do not apply to the MAC List maintained by the State Medicaid Program, the Medicaid-managed care organizations under contract with the South Carolina Department of Health and Human Services, or the South Carolina Public Employee Benefit Authority.	

Patient Cost-Sharing	**Maximum Cost-Sharing Levels:** A PBM shall not collect or require a pharmacy or pharmacist to collect from an insured a copayment for a prescription drug at the point of sale in an amount that exceeds the lesser of: • The contracted copayment amount;	S.C. Code Ann. § 38-71-2230(4)

	• The amount an individual would pay for a prescription drug if that individual was paying cash; or • The contracted amount for the drug.	