
BULLETIN 2018-02

PHARMACY BENEFITS - PROHIBITED PRACTICES

Effective April 3, 2018

This Bulletin pertains to all Third Party Administrators, including Pharmacy Benefit Managers, and health insurance companies (collectively, entities). The Department has received inquiries related to entities withholding cost-saving information from consumers, which sometimes results in an insured paying more for pharmacy benefits than the actual cost of such pharmacy benefits.

The purpose of this Bulletin is to clarify certain prohibited practices with respect to the provision of pharmacy benefits and set forth the Department's interpretation of and position on certain acts and/or practices that ultimately increase costs to consumers.

Pursuant to R.C. 3959.12(A)(5), an administrator's license may be suspended upon a finding that the entity has used fraudulent, coercive, or dishonest practices. Additionally, R.C. 3923.02 prohibits policies of sickness and accident insurance from containing provisions that are ambiguous, misleading or deceptive, and R.C. 3923.021 requires policies to provide benefits that are reasonable in relation to the premium charged.

Therefore, the Department defines the following practices as a violation of the statutes cited above and prohibits any entity from the following:

- 1) Prohibiting any person, directly or indirectly, from informing, by any means, an individual about less expensive ways to purchase prescription drugs that may also be available under any insurance policy or benefit plan.
- 2) Requiring cost-sharing in an amount, or directing a pharmacy to collect cost-sharing in an amount, greater than the amount an individual would pay for the prescription drug if the drug were purchased without coverage under a health benefit plan.

These prohibitions are effective immediately. No filing submissions are necessary to effect these prohibitions.

Superintendent of Insurance



Jillian Froment
Director