

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 26-0306.01 Eden Rolland x2373

HOUSE BILL 26-1056

HOUSE SPONSORSHIP

DeGraaf,

SENATE SPONSORSHIP

(None),

House Committees
Health & Human Services

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING PRESCRIPTION DRUG SOURCING PROVIDED PURSUANT TO**
102 **A HEALTH BENEFIT PLAN.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill creates the "Prescription Drug Optimized Sourcing Transparency and Integrity Act" to prohibit a pharmacy benefit manager (PBM) or a health-care consultant from knowingly making or disseminating false or misleading statements or claims to a self-insured employer or policyholder about the legality or safety of a lawful prescription drug optimized sourcing program established by a pharmacy

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

stewardship program.

Upon written request by a self-insured employer, a PBM or health-care consultant is required to provide certain cost information for each prescription drug dispensed under the health benefit plan.

The prohibition and information-sharing provisions of the bill do not restrict or limit the rights of a self-insured employer to purchase prescription drugs through and contract for a lawful prescription drug optimized sourcing program. The bill also recognizes that a pharmacy stewardship program is an effective cost-containment tool and is authorized when implemented in compliance with federal law and with the bill.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) Improving transparency and integrity in prescription drug
5 purchasing protects employers and health benefit plan sponsors, supports
6 patient safety, and reduces unnecessary costs, while preserving clinical
7 decision-making; and

8 (b) It is the policy of this state to permit the lawful personal-use
9 importation of prescription drugs, otherwise known as pharmacy
10 stewardship programs, optimized sourcing, or international sourcing, in
11 order to reduce net plan costs without disrupting patient care.

12 **SECTION 2.** In Colorado Revised Statutes, **add** 10-16-171 as
13 follows:

14 **10-16-171. Pharmacy benefit managers - health-care**
15 **consultants - prescription drug optimized sourcing - disclosure**
16 **requirements - enforcement - short title - definitions.**

17 (1) **Short title.** THE SHORT TITLE OF THIS SECTION IS THE
18 "PRESCRIPTION DRUG OPTIMIZED SOURCING TRANSPARENCY AND
19 INTEGRITY ACT".

1 (2) **Definitions.** AS USED IN THIS SECTION:

2 (a) "HEALTH-CARE CONSULTANT" MEANS AN INDIVIDUAL OR
3 ENTITY THAT PROVIDES PROFESSIONAL ADVICE, ANALYSIS, OR SERVICES
4 TO A SELF-INSURED EMPLOYER REGARDING HEALTH BENEFIT PLAN DESIGN
5 OR ADMINISTRATION, INCLUDING SERVICES RELATED TO PRESCRIPTION
6 DRUG BENEFITS.

7 (b) "NATIONAL DRUG CODE" HAS THE MEANING SET FORTH IN
8 SECTION 10-16-122.9 (2)(f).

9 (c) (I) "PHARMACY STEWARDSHIP PROGRAM" MEANS A PROGRAM
10 OPERATED BY OR ON BEHALF OF A SELF-INSURED EMPLOYER TO OPTIMIZE
11 THE FINANCIAL PERFORMANCE OF THE SELF-INSURED EMPLOYER'S
12 PHARMACY BENEFIT WHILE MAINTAINING SAFETY, CONTINUITY OF
13 THERAPY, AND EQUAL OR LOWER MEMBER COST SHARE. PRESCRIPTIONS
14 NOT FULFILLED THROUGH THE PHARMACY STEWARDSHIP PROGRAM
15 CONTINUE TO PROCESS UNDER THE HEALTH BENEFIT PLAN'S EXISTING
16 PHARMACY BENEFIT MANAGER, CARRIER, AND NETWORK.

17 (II) A "PHARMACY STEWARDSHIP PROGRAM" INCLUDES THE USE OF
18 OPTIMIZED SOURCING.

19 (III) A "PHARMACY STEWARDSHIP PROGRAM" IS NOT:

20 (A) INSURANCE OR A POLICY OF INSURANCE;

21 (B) A HEALTH PLAN;

22 (C) A PBM; OR

23 (D) A THIRD-PARTY ADMINISTRATOR.

24 (d) (I) "PRESCRIPTION DRUG OPTIMIZED SOURCING PROGRAM"
25 MEANS A LAWFUL ARRANGEMENT OPERATED BY OR ON BEHALF OF A
26 SELF-INSURED EMPLOYER UNDER WHICH A DEFINED SUBSET OF
27 PRESCRIPTION DRUGS FOR COVERED PERSONS MAY BE DISPENSED

1 THROUGH CHANNELS OTHER THAN THE HEALTH BENEFIT PLAN'S
2 PHARMACY BENEFIT MANAGER OR CARRIER-ADMINISTERED NETWORK, IF
3 AUTHORIZED BY FEDERAL LAW, TO REDUCE THE NET PLAN COST WHILE
4 MAINTAINING PATIENT SAFETY, CONTINUITY OF THERAPY, AND EQUAL OR
5 LOWER MEMBER COST SHARE. A PRESCRIPTION DRUG OPTIMIZED SOURCING
6 PROGRAM IS NOT INSURANCE, AND PRESCRIPTIONS NOT FULFILLED
7 THROUGH THE PROGRAM CONTINUE TO PROCESS UNDER A PLAN'S EXISTING
8 PHARMACY BENEFIT MANAGER, CARRIER, AND NETWORK.

9 (II) "PRESCRIPTION DRUG OPTIMIZED SOURCING PROGRAM"
10 INCLUDES A PROGRAM FOR IMPORTING PRESCRIPTION DRUGS AUTHORIZED
11 BY FEDERAL LAW AND FDA REGULATION.

12 (e) "SELF-INSURED EMPLOYER" MEANS AN EMPLOYER THAT OFFERS
13 A SELF-INSURED HEALTH PLAN TO ITS EMPLOYEES.

14 (3) **Prohibition against misinformation.** A PHARMACY BENEFIT
15 MANAGER OR HEALTH-CARE CONSULTANT SHALL NOT KNOWINGLY MAKE
16 OR DISSEMINATE FALSE OR MISLEADING STATEMENTS OR CLAIMS TO AN
17 EMPLOYER, SELF-INSURED EMPLOYER, OR POLICYHOLDER ABOUT THE
18 LEGALITY OR SAFETY OF A LAWFUL PRESCRIPTION DRUG OPTIMIZED
19 SOURCING PROGRAM ESTABLISHED BY A PHARMACY STEWARDSHIP
20 PROGRAM.

21 (4) **Disclosure requirements.**

22 (a) UPON WRITTEN REQUEST BY A SELF-INSURED EMPLOYER, A
23 PHARMACY BENEFIT MANAGER OR HEALTH-CARE CONSULTANT SHALL
24 PROVIDE DETAILED COST INFORMATION FOR EACH PRESCRIPTION DRUG
25 DISPENSED UNDER THE PLAN, INCLUDING:

26 (I) TOTAL DRUG COST PER CLAIM;

27 (II) TOTAL MEMBER-PAID PORTION PER CLAIM;

1 (III) TOTAL PLAN-PAID, SPONSOR-PAID, OR EMPLOYER-PAID
2 PORTION PER CLAIM; AND

3 (IV) NATIONAL DRUG CODE, QUANTITY, STRENGTH, AND DAYS OF
4 SUPPLY.

5 (b) A PHARMACY BENEFIT MANAGER OR HEALTH-CARE
6 CONSULTANT THAT PROVIDES COST INFORMATION PURSUANT TO
7 SUBSECTION (4)(a) OF THIS SECTION SHALL NOT WITHHOLD, EDIT, OR
8 REDACT THE INFORMATION THAT THE PHARMACY BENEFIT MANAGER OR
9 HEALTH-CARE CONSULTANT PROVIDES.

10 (5) **Self-insured employer rights.** THIS SECTION DOES NOT
11 RESTRICT OR LIMIT THE RIGHT OF A SELF-INSURED EMPLOYER TO
12 PURCHASE PRESCRIPTION DRUGS THROUGH A LAWFUL PRESCRIPTION DRUG
13 OPTIMIZED SOURCING PROGRAM. A SELF-INSURED EMPLOYER RETAINS THE
14 RIGHT TO CONTRACT FOR ANY LAWFUL PRESCRIPTION DRUG OPTIMIZED
15 SOURCING PROGRAM, INCLUDING PERSONAL-USE IMPORTATION PROGRAMS
16 PERMITTED UNDER FEDERAL LAW, FOR DRUGS USED BY THE SELF-INSURED
17 EMPLOYER'S HEALTH BENEFIT PLAN'S COVERED PERSONS.

18 (6) **Pharmacy stewardship programs.**

19 (a) A PHARMACY STEWARDSHIP PROGRAM THAT IS DESIGNED TO
20 IMPROVE THE COST-EFFECTIVENESS OF MEDICATION USE WHILE
21 MAINTAINING PATIENT SAFETY IS RECOGNIZED AS AN EFFECTIVE
22 COST-CONTAINMENT TOOL.

23 (b) PHARMACY STEWARDSHIP PROGRAMS AND PRESCRIPTION DRUG
24 OPTIMIZED SOURCING PROGRAMS ARE AUTHORIZED BY STATE LAW WHEN
25 IMPLEMENTED IN COMPLIANCE WITH FEDERAL LAW AND WITH THIS
26 SECTION. SUCH AUTHORIZED PROGRAMS INCLUDE PROGRAMS FOR
27 IMPORTING PRESCRIPTION DRUGS WHEN AUTHORIZED UNDER FEDERAL

1 LAW.

2 (c) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO CREATE A
3 NEW INSURANCE PRODUCT OR MANDATORY COVERAGE.

4 (7) **No state cost or self-insured employer mandate.**

5 (a) THIS SECTION DOES NOT:

6 (I) CREATE A FISCAL REQUIREMENT FOR ANY STATE AGENCY OR AN
7 APPROPRIATION FROM THE GENERAL FUND;

8 (II) REQUIRE AN EMPLOYER TO ADOPT OR PARTICIPATE IN A
9 PRESCRIPTION DRUG OPTIMIZED SOURCING PROGRAM OR PHARMACY
10 STEWARDSHIP PROGRAM; OR

11 (III) REQUIRE THAT RESOURCES BE EXPENDED AS A RESULT OF THIS
12 SECTION.

13 (b) THE COMMISSIONER SHALL IMPLEMENT THIS SECTION WITHIN
14 EXISTING APPROPRIATIONS.

15 (8) **Enforcement.** THE COMMISSIONER SHALL ENFORCE THIS
16 SECTION WITH RESPECT TO A PBM OR HEALTH-CARE CONSULTANT THAT
17 ADMINISTERS OR MANAGES PRESCRIPTION DRUG BENEFITS FOR A HEALTH
18 BENEFIT PLAN. A VIOLATION OF THIS SECTION BY A PBM OR A
19 HEALTH-CARE CONSULTANT IS AN UNFAIR METHOD OF COMPETITION AND
20 AN UNFAIR OR DECEPTIVE ACT OR PRACTICE IN THE BUSINESS OF
21 INSURANCE PURSUANT TO SECTION 10-3-1104 (1)(uu). EACH DAY DURING
22 WHICH A VIOLATION CONTINUES CONSTITUTES A SEPARATE VIOLATION.

23 **SECTION 3.** In Colorado Revised Statutes, 10-3-1104, **add**
24 (1)(uu) as follows:

25 **10-3-1104. Unfair methods of competition - unfair or deceptive**
26 **practices - rules - definitions.** (1) The following are defined as unfair
27 methods of competition and unfair or deceptive acts or practices in the

1 business of insurance:

2 (uu) VIOLATING SECTION 10-16-171.

3 **SECTION 4. Act subject to petition - effective date -**

4 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
5 the expiration of the ninety-day period after final adjournment of the
6 general assembly (August 12, 2026, if adjournment sine die is on May 13,
7 2026); except that, if a referendum petition is filed pursuant to section 1
8 (3) of article V of the state constitution against this act or an item, section,
9 or part of this act within such period, then the act, item, section, or part
10 will not take effect unless approved by the people at the general election
11 to be held in November 2026 and, in such case, will take effect on the
12 date of the official declaration of the vote thereon by the governor.

13 (2) This act applies to conduct or omissions occurring on or after
14 the applicable effective date of this act.