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SENATE BILL NO. 875
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Governor
on March 24, 2025)
(Patron Prior to Substitute—Senator Rouse)

A BILL to direct the Department of Medical Assistance Services to review benefits and costs associated with transitioning to a single pharmacy benefit manager model; report.

Be it enacted by the General Assembly of Virginia:

1. § 1. *That the Department of Medical Assistance Services (DMAS) shall conduct a comprehensive evaluation of the potential benefits, cost savings, and implementation considerations associated with utilizing a single third-party administrator to serve as the pharmacy benefit manager (PBM) for all Medicaid pharmacy benefits. This evaluation shall include an analysis of financial efficiencies, improved transparency, and the impact on patient access to pharmacy services, including community critical access pharmacies, along with timelines and cost for both implementation and ongoing operation and maintenance. As part of this process, DMAS shall engage an independent consultant with direct experience (i) advising Medicaid fraud control units and (ii) working with states that have transitioned to a single PBM model to assess best practices and provide guidance on structuring a model that maximizes cost savings and operational effectiveness. The consultant shall not be currently engaged by any managed care organization or by any PBM contracted with a managed care organization.*

§ 2. *The evaluation shall also include a detailed assessment of the implementation costs associated with transitioning to a single PBM model. Any such implementation costs shall be analyzed in comparison to the projected cost savings identified in the independent evaluation to ensure fiscal accountability. Additionally, the evaluation shall include a review of fee-for-service and managed care pharmacy dispensing fees and provide recommendations for adjustments necessary to maintain adequate pharmacy participation and patient access. DMAS shall report its findings, including projected implementation and ongoing costs, anticipated cost savings, recommended pharmacy dispensing fees, timeline for implementation, and any other recommendations for improving the administration of Medicaid pharmacy benefits, to the Governor and the General Assembly by December 1, 2025.*