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HOUSE BILL NO. 1109

Offered January 14, 2026

Prefiled January 14, 2026

A BILL to amend the Code of Virginia by adding in Article 1 of Chapter 10 of Title 32.1 a section numbered 32.1-331.07, relating to managed care organizations; pharmacy benefits manager; data collection and reporting requirements; civil penalty.

Patron—Hodges

Committee Referral Pending

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 1 of Chapter 10 of Title 32.1 a section numbered 32.1-331.07 as follows:

§ 32.1-331.07. *Managed care organization and pharmacy benefits manager; data collection and reporting requirements; civil penalty.*

A. Managed care organizations and pharmacy benefits managers shall utilize standardized methodologies for collecting and reporting data to the Department of Medical Assistance Services and Centers for Medicare and Medicaid Services. Such data shall include a detailed breakdown of expenditures, rebates, and the source of all cost components. The Department of Medical Assistance Services shall establish such standardized methodologies for collecting and reporting data by regulation, which shall include reporting specific metrics related to drug spending, utilization rates, and prescription volumes in a timely manner.

B. All transactions related to drug pricing, rebates negotiated by pharmacy benefits managers, and reimbursements shall be included in the reporting required pursuant to subsection A and shall be disclosed publicly to ensure transparency in cost-sharing arrangements between pharmacy benefits managers, managed care organizations, and pharmacies.

C. Managed care organizations shall solicit and undergo an independent audit of their data reporting practices every two years. Such audit shall evaluate compliance with this section and the accuracy of reported costs related to drug pricing and reimbursements. Managed care organizations shall report the results of the audit to the Department of Medical Assistance Services and the Centers for Medicare and Medicaid Services. The Department of Medical Assistance Services may implement corrective actions for any managed care organization whose independent audit pursuant to this section reveals any instances of significant discrepancies or inaccuracies of reported costs related to drug pricing and reimbursements.

D. The Department of Medical Assistance Services shall establish a compliance unit responsible for overseeing the accuracy of data reported pursuant to this section and ensure that all entities required to submit data pursuant to this section comply with the provisions of this section.

1. Such compliance unit shall provide training and guidance to managed care organizations and pharmacy benefits managers on compliance with the provisions of this section and improving their data reporting capabilities.

2. Such compliance unit may impose penalties on any managed care organization or pharmacy benefits manager, including:

a. Civil penalties proportional to the degree of inaccurate reporting. Such civil penalty shall not exceed \$10,000, shall be collected by the compliance unit established pursuant to this subsection, and shall be deposited into the general fund;

b. Suspension of participation by the managed care organization or pharmacy benefits manager in administration of medical assistance services until such managed care organization or pharmacy benefits manager achieves adequate compliance with the reporting requirements of this section; and

c. Imposition of mandatory corrective action plans to rectify issues identified in independent audits conducted pursuant to subsection C.

INTRODUCED

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