

26103692D

1 **HOUSE BILL NO. 1109**

2 Offered January 14, 2026

3 Prefiled January 14, 2026

4 *A BILL to amend the Code of Virginia by adding in Article 1 of Chapter 10 of Title 32.1 a section numbered*
5 *32.1-331.07, relating to managed care organizations; pharmacy benefits manager; data collection and*
6 *reporting requirements; civil penalty.*

7 Patron—Hodges

8 Committee Referral Pending

9 **Be it enacted by the General Assembly of Virginia:**10 **1. That the Code of Virginia is amended by adding in Article 1 of Chapter 10 of Title 32.1 a section**
11 **numbered 32.1-331.07 as follows:**12 **§ 32.1-331.07. *Managed care organization and pharmacy benefits manager; data collection and***
13 ***reporting requirements; civil penalty.***14 *A. Managed care organizations and pharmacy benefits managers shall utilize standardized methodologies*
15 *for collecting and reporting data to the Department of Medical Assistance Services and Centers for Medicare*
16 *and Medicaid Services. Such data shall include a detailed breakdown of expenditures, rebates, and the*
17 *source of all cost components. The Department of Medical Assistance Services shall establish such*
18 *standardized methodologies for collecting and reporting data by regulation, which shall include reporting*
19 *specific metrics related to drug spending, utilization rates, and prescription volumes in a timely manner.*20 *B. All transactions related to drug pricing, rebates negotiated by pharmacy benefits managers, and*
21 *reimbursements shall be included in the reporting required pursuant to subsection A and shall be disclosed*
22 *publicly to ensure transparency in cost-sharing arrangements between pharmacy benefits managers,*
23 *managed care organizations, and pharmacies.*24 *C. Managed care organizations shall solicit and undergo an independent audit of their data reporting*
25 *practices every two years. Such audit shall evaluate compliance with this section and the accuracy of*
26 *reported costs related to drug pricing and reimbursements. Managed care organizations shall report the*
27 *results of the audit to the Department of Medical Assistance Services and the Centers for Medicare and*
28 *Medicaid Services. The Department of Medical Assistance Services may implement corrective actions for any*
29 *managed care organization whose independent audit pursuant to this section reveals any instances of*
30 *significant discrepancies or inaccuracies of reported costs related to drug pricing and reimbursements.*31 *D. The Department of Medical Assistance Services shall establish a compliance unit responsible for*
32 *overseeing the accuracy of data reported pursuant to this section and ensure that all entities required to*
33 *submit data pursuant to this section comply with the provisions of this section.*34 *1. Such compliance unit shall provide training and guidance to managed care organizations and*
35 *pharmacy benefits managers on compliance with the provisions of this section and improving their data*
36 *reporting capabilities.*37 *2. Such compliance unit may impose penalties on any managed care organization or pharmacy benefits*
38 *manager, including:*39 *a. Civil penalties proportional to the degree of inaccurate reporting. Such civil penalty shall not exceed*
40 *\$10,000, shall be collected by the compliance unit established pursuant to this subsection, and shall be*
41 *deposited into the general fund;*42 *b. Suspension of participation by the managed care organization or pharmacy benefits manager in*
43 *administration of medical assistance services until such managed care organization or pharmacy benefits*
44 *manager achieves adequate compliance with the reporting requirements of this section; and*45 *c. Imposition of mandatory corrective action plans to rectify issues identified in independent audits*
46 *conducted pursuant to subsection C.*

INTRODUCED

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