



Fiscal Impact Statement for Proposed Legislation

Virginia State Corporation Commission

Published: March 12, 2026

Senate Bill 669

Version: Enrolled

Patron: A. Rouse

Title: Pharmacy benefits managers; requirements, application of law, report, delayed effective date.

Summary: Requires all health insurance carriers to use the pass-through pricing model and may limit a pharmacy benefits manager from deriving income from pharmacy benefits management services provided to a carrier except for income derived from a pharmacy benefits management fee. The bill prohibits a pharmacy benefits manager from (i) reversing and or resubmitting the claim of a pharmacist or pharmacy without meeting certain requirements, (ii) reducing any payment to a pharmacist or pharmacy to an effective rate of reimbursement, or (iii) retroactively denying or reducing a claim or aggregate of claims except under certain circumstances. The bill requires the State Corporation Commission (the Commission) to annually prepare a report based on certain information that examines the overall impact of prescription drug costs on health care premiums in the Commonwealth. Additionally, the bill requires the Commission to examine the practice of carriers or pharmacy benefits managers requiring or inducing covered individuals to utilize pharmacy services at an affiliated pharmacy. The Commission is required to report its findings and recommendations to the General Assembly by December 1, 2027. Certain provisions of the bill have a delayed enactment date of July 1, 2027.

Effective Date(s): July 1, 2027

Amendment Necessary: Budget, Item 474
 Technical, see *Technical Note* below
 None

Fiscal Summary

TYPE OF IMPACT	FY2026	FY2027	FY2028	FY2029	FY2030
REVENUE					
General (01000)	\$0	\$0	\$0	\$0	\$0
Nongeneral (02090)	\$0	\$0	\$0	\$0	\$0
EXPENDITURES					
General (01000)	\$0	\$0	\$0	\$0	\$0
Nongeneral (02090)	\$0	\$51,550	\$63,450	\$40,000	\$40,000
CHANGE IN FTE					
General (01000)	0	0	0	0	0
Nongeneral (02090)	0	0	0	0	0

Fiscal Analysis

Revenue

There are no revenue assumptions for this bill.

This bill does not impact revenue at the State Corporation Commission. The requirements of this bill can be satisfied within the Bureau of Insurance's current revenue authority.

Expenditures

An appropriation increase in the SCC Bureau of Insurance non-general fund as documented in the fiscal summary table will be needed for consulting services expenses. This expense will not require a revenue rate increase. With respect to the increased regulatory responsibilities, recurring expenditures assume the use of two consultants for 100 hours each at a rate of \$200 per hour. It is further assumed that there would be one market conduct exam every two years with two consultants required to assist with the review. It also assumes that nonrecurring expenditures for the one-time report on steering due December 1, 2027, would require the use of two consultants for 87.5 hours each at a rate of \$200 per hour. The expenditure amount would reflect the mid-point within a range of estimated costs. With respect to the new one-time steering report, it is assumed the Bureau will not need to collect novel data or require new IT systems.

These expenditures are based on the Bureau's historical experience in using consultants with specific expertise for work of this complexity as well as recent SCC procurements for similar consultants. The Bureau is recommending the use of consultants over FTE because it would be a more cost-effective use of resources to meet the need for specific expertise that is immediate and foreseeable, yet intermittent and substantial, and required to implement the significant expansion of Bureau regulatory oversight, compliance enforcement, and reporting responsibilities related to pharmacy benefit management that is unavailable in the Bureau. The consultants would be used to perform the necessary compliance reviews, to include requesting and reviewing carrier data, consulting with the Bureau team, and providing a summary of their findings, as well as completing the proposed steering report. The costs for the regulatory component (\$40,000 per fiscal year) would begin in FY 2027 to fund necessary implementation prep in advance of the effective date of the bill through FY 2030. The steering report would be spread over FYs 2027 and 2028, with 33% (\$11,550) allocated in FY 2027 and 67% (\$23,450) in FY 2028. The Bureau could receive more complaint filings as a result of the additional requirements imposed on carriers and PBMs, which could reveal issues and concerns warranting more market conduct exams than assumed for this fiscal going forward.

Change in FTE

This bill does not impact FTEs at the State Corporation Commission.

Other Comments

HB830 is the House companion bill.

Technical Note

None.

