

### Regulatory Analysis

Notice of Intended Action to be published: 191—subrule 59.3(4)  
“Timely Payment of Pharmacy Claims”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 510B.11  
State or federal law(s) implemented by the rulemaking: 510B.11 and 2022 Iowa Acts, House File 2384

#### *Public Hearing*

A public hearing at which persons may present their views orally or in writing will be held as follows:

February 28, 2025  
11 a.m.

1963 Bell Avenue, Suite 100  
Des Moines, Iowa

#### *Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Insurance Division no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Angela Burke Boston  
1963 Bell Avenue, Suite 100  
Des Moines, Iowa 50315  
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#### *Purpose and Summary*

These proposed amendments to Chapter 59 reflect changes necessary to conform with statutory provisions and reduce harm to public welfare by ensuring the timely payment of pharmacy claims.

#### *Analysis of Impact*

1. **Persons affected by the proposed rulemaking:**
  - **Classes of persons that will bear the costs of the proposed rulemaking:**  
Pharmacy benefits managers doing business in the state of Iowa will bear the costs.
  - **Classes of persons that will benefit from the proposed rulemaking:**  
Pharmacies doing business in the state of Iowa will benefit.
2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**
  - **Quantitative description of impact:**  
There is no quantitative impact.
  - **Qualitative description of impact:**  
There is no qualitative impact.
3. **Costs to the State:**
  - **Implementation and enforcement costs borne by the agency or any other agency:**  
There are no known costs.
  - **Anticipated effect on state revenues:**  
There is no effect on state revenues.

**4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The rulemaking amends language to conform with statutory provisions and reduce harm to public welfare by ensuring the timely payments of pharmacy claims.

**5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

The Insurance Division did not find any other less costly or less intrusive methods.

**6. Alternative methods considered by the agency:**

**• Description of any alternative methods that were seriously considered by the agency:**

Alternative methods were not considered by the agency.

**• Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

The rulemaking ensures the timely payment of pharmacy claims and is critical to the enforcement of statutory provisions and the protection of public welfare.

*Small Business Impact*

**If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:**

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

**If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?**

There is no effect on small business.

*Text of Proposed Rulemaking*

ITEM 1. Amend rule 191—59.3(510B) as follows:

**191—59.3(510B) Timely payment of pharmacy claims.**

**59.3(1)** All benefits payable under a pharmacy benefits management plan shall be paid as soon as feasible but within 20 days after receipt of a clean claim when the claim is submitted electronically and shall be paid within 30 days after receipt of a clean claim when the claim is submitted in paper format.

**59.3(2)** A payment to the pharmacy for a clean claim is considered to be overdue and not timely if not paid within 20 or 30 days, whichever is applicable. If a clean claim is not timely paid, the pharmacy benefits manager must pay the pharmacy interest at the rate of 10 percent per annum commencing the day after any claim payment or portion thereof was due until the claim is finally settled or adjudicated in full.

**59.3(3)** A pharmacy benefits manager may demonstrate the date a claim is paid by a mail record or a bank statement.

**59.3(4)** Pursuant to Iowa Code section ~~510B.4~~ and paragraph ~~59.4(1)~~ "j," 510B.8C, a pharmacy benefits manager shall not retroactively reduce or increase reimbursement, through adjustment or reconciliation or any other means, of a clean claim paid to pharmacies.