

ASSEMBLY, No. 5633

STATE OF NEW JERSEY

222nd LEGISLATURE

INTRODUCED OCTOBER 15, 2026

Sponsored by:

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblyman AL BARLAS

District 40 (Bergen, Essex and Passaic)

SYNOPSIS

Establishes standards for timely payment of clean claims by pharmacy benefits managers.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning pharmacy benefits managers and amending
2 P.L.2019, c.274.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. Section 1 of P.L.2019, c.274 (C.17B:27F-7) is amended to
8 read as follows:

9 1. a. After the date of receipt of a clean claim for payment
10 made by a pharmacy, a pharmacy benefits manager shall not
11 retroactively reduce payment on the claim, either directly or
12 indirectly, through aggregated effective rate, direct or indirect
13 remuneration, quality assurance program, or otherwise, except if the
14 claim is found not to be a clean claim during the course of a routine
15 audit performed pursuant to an agreement between the pharmacy
16 benefits manager and the pharmacy. When a pharmacy adjudicates
17 a claim at the point of sale, the reimbursement amount provided to
18 the pharmacy by the pharmacy benefits manager shall constitute a
19 final reimbursement amount. Nothing in this section shall be
20 construed to prohibit any retroactive increase in payment to a
21 pharmacy pursuant to a contract between the pharmacy benefits
22 manager, and the pharmacy services administration organization, or
23 a pharmacy.

24 b. For the purpose of this section, "clean claim" means a claim
25 that has no defect or impropriety, including a lack of any required
26 substantiating documentation, or other circumstance requiring
27 special treatment, including, but not limited to, those listed in
28 subsection d. of this section, that prevents timely payment from
29 being made on the claim. A claim shall also be considered a clean
30 claim if a pharmacy benefits manager does not provide notice to the
31 submitting pharmacy of any defect or impropriety in a claim
32 pursuant to subsection f. of this section within:

33 (1) 10 days of receipt of a claim submitted electronically; or

34 (2) 15 days of receipt of a claim submitted on paper.

35 c. A pharmacy **【benefit】** benefits manager shall not recoup
36 funds from a pharmacy in connection with claims for which the
37 pharmacy has already been paid unless the recoupment is:

38 (1) otherwise permitted or required by law;

39 (2) the result of an audit, performed pursuant to a contract
40 between the pharmacy benefits manager and the pharmacy; or

41 (3) the result of an audit, performed pursuant to a contract
42 between the pharmacy benefits manager and the designated
43 pharmacy services administrative organization.

44 d. The provisions of this section shall not apply to an
45 investigative audit of pharmacy records when:

EXPLANATION – Matter enclosed in bold-faced brackets **【thus】** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 (1) fraud, waste, abuse or other intentional misconduct is
2 indicated by physical review or review of claims data or statements;
3 or

4 (2) other investigative methods indicate a pharmacy is or has
5 been engaged in criminal wrongdoing, fraud or other intentional or
6 willful misrepresentation.

7 e. A pharmacy benefits manager shall issue, mail, or otherwise
8 transmit payment with respect to a clean claim submitted by a
9 pharmacy within:

10 (1) seven to 14 days after the date of the receipt of a claim
11 submitted electronically; or

12 (2) 30 days after the receipt of a claim submitted on paper.

13 f. (1) If a pharmacy benefits manager determines that a claim
14 submitted by a pharmacy is not a clean claim, the pharmacy benefits
15 manager shall notify the submitting pharmacy of the determination
16 within the periods provided for in subsection b. of this section. A
17 notification provided to a pharmacy pursuant to this subsection
18 shall:

19 (a) be submitted in writing or electronically to the pharmacy;

20 (b) specify all defects or improprieties in the claim; and

21 (c) list any additional information necessary for the proper
22 processing and payment of the claim.

23 (2) After a pharmacy submits to the pharmacy benefits manager
24 any additional information necessary for the proper processing and
25 payment of the claim, a claim shall become a clean claim within 10
26 days if the pharmacy benefits manager does not provide notice to
27 the submitting pharmacy of any remaining defect or impropriety in
28 the claim or of any new defect or impropriety in the additional
29 information submitted.

30 (3) A pharmacy benefits manager shall not provide a pharmacy
31 notice of a new deficiency or impropriety in a claim that could have
32 been identified by the pharmacy benefits manager in the original
33 claim submitted by a pharmacy.

34 g. A claim submitted to a pharmacy benefits manager that is
35 not paid by the pharmacy benefits manager within the periods
36 provided for in subsection e. of this section or contested by the
37 pharmacy benefits manager pursuant to subsection f. of this section
38 shall be:

39 (1) deemed to be a clean claim; and

40 (2) paid by the pharmacy benefits manager to a pharmacy
41 pursuant to subsection e. of this section.

42 h. A payment of a clean claim pursuant to paragraph (1) of
43 subsection g. of this section is considered to have been made on the
44 date that:

45 (1) the payment is transferred, for a claim submitted
46 electronically; or

47 (2) the payment is submitted to the United States Postal Service
48 or common carrier for delivery, for any other claim.

1 i. (1) A pharmacy benefits manager shall, for a late payment of
2 a claim to a pharmacy, pay a penalty equal to 12 percent of the late
3 payment per month starting on the day after the required payment
4 date and ending on the day the proper payment for the claim is
5 made.

6 (2) A pharmacy benefits manager shall not be penalized or
7 required to pay interest under this subsection in exigent
8 circumstances that prevent the timely processing of claims,
9 including natural disasters and other unique and unexpected events,
10 unless the circumstances involve a cybersecurity breach or a data
11 security issue with the pharmacy benefits manager. A cybersecurity
12 breach or a data security issue involving the pharmacy benefits
13 manager that delays payment to a pharmacy is subject to interest
14 payments under this subsection.

15 j. A pharmacy benefits manager shall pay a clean claim
16 submitted electronically by an electronic transfer of funds if the
17 submitting pharmacy requests that the payment be made by an
18 electronic transfer of funds or has requested that a payment be made
19 by an electronic transfer of funds in that contract year. If a payment
20 is made electronically, remittance may also be made electronically
21 by the pharmacy benefits manager.

22 k. (1) Nothing in this section shall be construed to prohibit or
23 limit a claim or action not covered by this section that an individual
24 or organization has against a pharmacy, healthcare provider, or
25 pharmacy benefits manager.

26 (2) A pharmacy benefits manager shall not retaliate against an
27 individual, pharmacy, or healthcare provider for exercising a right
28 of action under this section as consistent with federal and State law.

29 l. The Commissioner of Banking and Insurance shall adopt,
30 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
31 (C.52:14B-1 et seq.), rules and regulations, including any penalty
32 provisions the commissioner deems to be necessary, to effectuate
33 the purposes of this act.

34 (cf: P.L.2019, c.274, s.1)

35
36 2. This act shall take effect on the first day of the ninth month
37 next following enactment, except that the Commissioner of Banking
38 and Insurance may take any anticipatory administrative action in
39 advance as shall be necessary for the implementation of this act.

40 41 42 STATEMENT

43
44 This bill establishes standards for the timely payment of clean
45 claims made by a pharmacy to a pharmacy benefits manager. Under
46 the bill, a pharmacy benefits manager would be required to issue a
47 payment for a clean claim within seven to 14 days of receiving a

1 claim submitted electronically or within 30 days of receiving a
2 claim submitted on paper.

3 If a pharmacy benefits manager determines that a claim is not a
4 clean claim, the pharmacy benefits manager is required to notify the
5 submitting pharmacy within 10 days of receipt of a claim submitted
6 electronically or within 15 days of receipt of a claim submitted on
7 paper. A notification provided to a pharmacy is required to include
8 any defect or impropriety in the claim and any additional
9 information necessary for the proper processing and payment of the
10 claim. If a pharmacy benefits manager does not notify a pharmacy
11 of a determination that a claim is not a clean claim within the
12 applicable time period, the claim is considered a clean claim.

13 After a pharmacy submits to a pharmacy benefits manager any
14 additional information necessary for the proper processing and
15 payment of the claim, a claim shall become a clean claim within 10
16 days if the pharmacy benefits manager does not provide notice to
17 the submitting pharmacy of any remaining defect or impropriety in
18 the claim or of any new defect or impropriety in the additional
19 information submitted.

20 The bill provides that a pharmacy benefits manager is required
21 pay a penalty of 12 percent of the late payment per month for a late
22 payment of a claim to a pharmacy, with exceptions for late
23 payments due to natural disasters and other unexpected events,
24 starting on the day after the required payment date and ending on
25 the day the proper payment for the clean claim is made.