SENATE, No. 4692

STATE OF NEW JERSEY

222nd LEGISLATURE

INTRODUCED OCTOBER 1, 2026

Sponsored by:
Senator DOUGLAS J. STEINHARDT
District 23 (Hunterdon, Somerset and Warren)
Senator VIN GOPAL
District 11 (Monmouth)

Co-Sponsored by:
Senator McKnight

SYNOPSIS

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

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 10/1/2026)

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

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

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

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

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

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

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

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

(1) otherwise permitted or required by law;

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

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

d. The provisions of this section shall not apply to an 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) fraud, waste, abuse or other intentional misconduct is indicated by physical review or review of claims data or statements; or

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

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

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

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

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

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

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

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

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

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

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

(1) deemed to be a clean claim; and

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

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

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

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

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

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

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

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

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

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

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

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

STATEMENT

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

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

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

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

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