BULLETIN NO. 94-9

To: All Health Insurers

From: Commissioner Linda Ruthardt

Date: December 21, 1994

Subject: Restricted Pharmacy Network Contracts-Notification of Expiration, Renewal, Extension or Replacement.

As part of the recently enacted Pharmacy Freedom of Choice law, M.G.L. c. 60, § 308 mandates that prior to January 1, 1995, no carrier shall renew, extend or replace an existing restricted pharmacy network contract for a period to exceed the term of one year:

> The provisions of section three B of chapter one hundred and seventy-six D of the General Laws shall take effect on January 1, nineteen hundred and ninety-five, provided that prior to January first, nineteen hundred and ninety-five, no carrier shall renew or extend an existing restricted pharmacy network contract for a period to exceed the term of one year.

M.G.L. c. 60, § 308 went into effect July 1, 1994. Therefore, in order to ensure compliance with M.G.L. c. 60, § 308, the Division requires a carrier as defined in M.G.L. c. 176D, § 3B to notify the Commissioner in writing by January 13, 1995 of the following:

1. The date of expiration of any restricted pharmacy network contracts in force between July 1, 1994 and January 1, 1995;

2. The date of any renewal, replacement or extension of a restricted pharmacy network contract in force between July 1, 1994 and January 1, 1995 which was renewed, replaced or extended between July 1, 1994 and January 1, 1995. The notification must include the date on which the renewed, replaced or extended restricted pharmacy network contract will expire.

Notification should be sent to Caroline E. DeStefano, Assistant General Counsel, Office of the General Counsel, Division of Insurance, 470 Atlantic Avenue, Boston, MA 02210-2223. Any questions regarding this bulletin should be directed to Caroline E. DeStefano (617) 521-7364.