

Pharmacy Benefit Manager Data Submission to the Healthcare Payments Data Program

Background

Pharmacy Benefit Managers (PBMs) serve as intermediaries between health plans, pharmacies and pharmaceutical manufacturers, and are responsible for administering prescription drug benefits on behalf of health plans. Their central role in the complex prescription drug market makes it difficult to understand the total cost of prescription drugs along the pharmaceutical supply chain.

The 2025 State Budget Health Omnibus Bill (Assembly Bill 116) adds to the data and information available to policymakers, researchers, and the public about the prescription drug marketplace in California, requiring the California Department of Health Care Access and Information (HCAI) to collect cost data from PBMs. This data collection builds on information HCAI collects from prescription drug manufacturers through the [Prescription Drug Cost Transparency Program, pursuant to Senate Bill 17](#), and pharmacy claims the Healthcare Payments Data (HPD) Program has been collecting from health plans since 2022. HCAI is also in the process of collecting pharmacy rebate data from health plans with HPD as part of [the Non-Claims Payment Data Collection effort](#).

By January 1, 2027, or the date on which the Department of Managed Health Care (DMHC) has established the licensure process, whichever is later, PBMs must be licensed by the DMHC.¹ As a condition of that licensure, PBMs will be required to submit data to HCAI as part of the HPD Program.

Program Expansion

HCAI intends to collect data from PBMs on drug pricing, fees paid for PBM services, and pharmacy rebates. The data may include:

- Drug codes, names, and therapeutic categories
- Prescription counts
- Patient counts
- Discounts, rebates, fees, and other payments

¹ Section 1385.008 of the Health and Safety Code

- Information needed to analyze payments to PBM-owned pharmacies
- Information needed to calculate total net spending, by drug

HCAI will add a pharmacy benefit manager representative to the [HPD Advisory Committee](#). The HPD Advisory Committee meets quarterly and advises HCAI on the ongoing administration of the database, such as data collection files and formats and key public reporting priorities that can inform the most pressing public policy issues. Meetings are open to the public.

HCAI is required to produce publicly available information from the data collected by the HPD Program. The current portfolio of [HPD data products and public reports](#) will be expanded to include analysis of PBM operational and financial drug costs, and the impact of those costs.

The data collected in the HPD System is intended to support greater health care cost transparency and will be used to inform policy decisions regarding the provision of quality health care, and to reduce healthcare costs and disparities.

Upcoming Activities

HCAI will use a phased approach to allow sufficient time for stakeholder engagement, building expertise in the PBM market and PBM data, and developing the new components of the HPD data collection and reporting program. This approach is based on HCAI's successful implementation of the HPD Program.

The first steps of implementation would include initiating a communication program that engages PBMs and other stakeholders, including gathering input that contributes to the development of data file formats and specifications, based on available national standards and industry best practice.

Projected Time	Period Program Activities
July to December 2025	<ul style="list-style-type: none"> • Begin evaluating data file formats and specifications. • Conduct initial outreach to PBMs. • Perform workshopping on data collection specifications. • Seat PBM representative on the HPD Advisory Committee.

January to June 2026	<ul style="list-style-type: none"> • Continue evaluating data file formats and specifications. • Continue workshopping on data collection specifications.
July to December 2026	<ul style="list-style-type: none"> • Begin promulgating emergency regulations for data collection.
January 2027 to June 2027	<ul style="list-style-type: none"> • Finish promulgating emergency regulations for data collection. • Begin registering PBM data submitters in the HPD System. • Begin collecting test historical data from PBMs.
July to December 2027	<ul style="list-style-type: none"> • Complete collecting test historical data from PBMs.
January to June 2028	<ul style="list-style-type: none"> • Collect production historical data from PBMs. • Create initial PBM analytic dataset.
July to December 2028	<ul style="list-style-type: none"> • Begin ongoing data collection from PBMs. • Include PBM data in first public analytic reports.

Privacy & Security

HCAI has collected, managed, and successfully protected sensitive and confidential health data for decades. HCAI ensures that the security, privacy, and confidentiality of consumers' individually identifiable health information is protected in a manner consistent with state and federal privacy laws. A core principle is that protected health data managed by HCAI is used to learn and provide information about healthcare systems and populations at large, not individual patients. [Read more about how HCAI data is protected.](#)