

Senate Bill 363

Sponsored by Senator BATES (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Prohibits pharmacy benefit manager from creating administrative or financial incentives to encourage insureds to obtain prescription drugs from mail order pharmacy instead of retail pharmacy. Requires notification to policyholder or certificate holder of conflicts of interest and other specified financial incentives earned by pharmacy benefit manager from purchases made through mail order pharmacy.

A BILL FOR AN ACT

1
2 Relating to prescription drugs.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2013 Act is added to and made a part of the Insurance Code.**

5 **SECTION 2. (1) As used in this section:**

6 (a) **"Health benefit plan" has the meaning given that term in ORS 743.730.**

7 (b) **"Mail order pharmacy" means a pharmacy of which the primary business is to receive**
8 **prescriptions by mail, telephone facsimile or electronic transmission and that dispenses**
9 **drugs to patients through the use of the United States Postal Service or a commercial de-**
10 **livery service.**

11 (c) **"Retail pharmacy" means a pharmacy that is open to the public, serves walk-in cus-**
12 **tomers and makes available an in-person consultation with a licensed pharmacist.**

13 (2) **A third party administrator that contracts with a health benefit plan to process**
14 **claims for the reimbursement of prescription drugs:**

15 (a) **May not require or create financial incentives for an insured to obtain prescription**
16 **drugs through a mail order pharmacy;**

17 (b) **May not impose additional administrative requirements upon insureds who fill or refill**
18 **a prescription at a retail pharmacy instead of through a mail order pharmacy;**

19 (c) **Shall reimburse retail pharmacies for the costs of prescription drugs the same**
20 **amount that the administrator reimburses a mail order pharmacy owned or controlled by the**
21 **administrator for such drugs; and**

22 (d) **Shall notify the health benefit plan policyholder or certificate holder of any conflicts**
23 **of interest arising between the administrator and a mail order pharmacy, any financial in-**
24 **centives offered by a mail order pharmacy to the administrator that will be provided for us-**
25 **ing the mail order pharmacy instead of a retail pharmacy and any manufacturer's rebates**
26 **retained by the administrator for drugs dispensed by a mail order pharmacy.**

27

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.