

STAFF MEASURE SUMMARY**Senate Committee On Health Care****Fiscal:** Fiscal impact issued**Revenue:** No Revenue Impact**Action Date:** 02/09/16**Action:** Do Pass With Amendments And Requesting Referral To Ways And Means.
(Printed A-Engrossed.)**Meeting Dates:** 02/02, 02/09**Vote:**

Yeas: 4 - Kruse, Monnes Anderson, Shields, Steiner Hayward

Nays: 1 - Knopp

Prepared By: Sandy Thiele-Cirka, Committee Administrator

WHAT THE MEASURE DOES:

Authorizes Department of Consumer and Business Services (DCBS) to adopt by rule fees that are reasonably calculated to pay costs associated with administering laws regulating pharmacy benefit managers (PBMs). Establishes enforcement guidelines, and authorizes imposing a civil penalty not to exceed \$10,000 on PBMs. Specifies that all moneys collected from this statute are appropriated to DCBS.

ISSUES DISCUSSED:

- Complaints received by DCBS
- Current bill unclear on the impact to PBMs
- Confusion about the problem
- Proposed amendments

EFFECT OF COMMITTEE AMENDMENT:

Establishes enforcement guidelines, and authorizes to impose a civil penalty not to exceed \$10,000 on PBMs. Specifies that all moneys collected from this statute are appropriated to DCBS.

BACKGROUND:

A pharmacy benefit manager (PBM) is a third party administrator of prescription drug programs, and is primarily responsible for processing and paying prescription drug claims.

In 2013, House Bill 2123 was enacted which requires pharmacy benefit managers to register with the Department of Consumer and Business Services (DCBS); it established limitations and requirements for an audit of a pharmacy by a PBM, an insurer, a third party administrator, a state agency or a person that represents or is employed by one of these entities; and it imposed requirements on a PBM relating to their list of drugs for which maximum allowable costs have been established beginning on January 1, 2015.