

**SB 565 STAFF MEASURE SUMMARY**

**Senate Committee On Health Care**

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**Prepared By:** Daniel Dietz, LPRO Analyst

**Meeting Dates:** 3/8

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**WHAT THE MEASURE DOES:**

Requires an insurer offering pharmacy benefits to count all amounts paid toward the cost of covered prescription drugs by another person on behalf of an enrollee toward the calculation of the out-of-pocket maximum, deductible, copayment, coinsurance, or other cost-sharing requirement applied to the drug. Includes covered drugs provided by pharmacy benefit managers. Excludes drugs with generic equivalents unless prior authorization or approval upon appeal is obtained from the insurer.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Many pharmaceutical manufacturers sponsor patient assistance programs (PAPs) that provide financial assistance to qualifying individuals to augment existing prescription drug coverage. Assistance may take the form of a copay card or coupon, whereby the pharmaceutical manufacturer pays part or all of the enrollee's copay or coinsurance for a specified drug. These copay cards are typically used for high-cost, brand name drugs with no generic equivalent.

Senate Bill 565 requires insurers to count payments made by another person on behalf of an enrollee when calculating out of pocket maximum and other cost-sharing accumulators.