

HB 3013 STAFF MEASURE SUMMARY

House Committee On Behavioral Health and Health Care

Action Date: 03/27/23

Action: Without recommendation as to passage, be referred to Rules, and then to Ways and Means by prior reference.

Vote: 8-0-3-0

Yeas: 8 - Conrad, Diehl, Goodwin, Morgan, Nelson, Nosse, Pham H, Tran

Exc: 3 - Bowman, Dexter, Javadi

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 1/25, 3/27

WHAT THE MEASURE DOES:

Requires pharmacy benefit managers (PBMs) to be licensed by the Department of Consumer and Business Services (DCBS) beginning January 1, 2024. Requires annual renewal of license. Specifies requirements for PBM reimbursement of solo network pharmacies and network pharmacy chains with fewer than 100 locations. Clarifies circumstances permitting retroactive claim denial or reduction by PBMs. Allows pharmacies to appeal directly to DCBS without first appealing to PBM. Clarifies prohibited actions of PBM against network pharmacies. Clarifies requirements and limitations of pharmacy audits by PBMs. Requires policies or certificates of health insurance and contracts providing for reimbursement of cost of prescription drugs to allow policyholder, certificate holder, and beneficiary to select pharmacy or pharmacist for filling prescriptions and prescription renewals, to contract with any pharmacy or pharmacist willing to abide by terms and conditions of policy, certificate, or contract. Prohibits requirement for claim for reimbursement of prescription drug to include indicator that drug is 340B drug unless claim is for a direct payment from the medical assistance program or is required by law to prevent a duplicate discount or rebate. Requires DCBS to hire at least one additional full-time employee to assist in the regulation of PBMs and allocates funds. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Gaps in current regulation of PBMs
- Impact of PBM payment policies on rural pharmacies

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Pharmacy benefit managers (PBMs) are companies that help manage prescription drug benefits on behalf of health insurers, self-insured employers, government purchasers, and other payers. PBMs operate in the middle of the prescription drug supply chain, acting as brokers between payers, drug manufacturers, and pharmacies, thereby influencing drug availability, drug pricing, and pharmacy reimbursement. Leveraging volume purchasing, PBMs can negotiate discounts from drug manufacturers (often in the form of rebates) which can help mitigate rising costs of prescription drugs. PBMs are paid for their services using a mix of fees, retained rebates, and other means.

House Bill 3013 requires pharmacy benefit managers to be licensed by the Department of Consumer and Business services and imposes new requirements on PBMs.