

HB 2185 A -A3, -A4 STAFF MEASURE SUMMARY

Senate Committee On Health Care

Prepared By: Brian Nieubuurt, LPRO Analyst

Meeting Dates: 4/22, 5/8

WHAT THE MEASURE DOES:

Prohibits pharmacy benefit managers (PBMs) from barring network pharmacies from offering delivery of prescription drugs by mail. Prohibits pharmacies from making a claim for reimbursement for the cost of delivery of prescription drugs unless agreed to by the PBM and requires pharmacies to disclose delivery fees to customers at the time of purchase. Prohibits PBMs from restricting or penalizing a network pharmacy from informing an enrollee of the difference between out-of-pocket cost to the enrollee to purchase a prescription drug and the pharmacy's retail price for the drug. Defines "out-of-pocket cost" and "plan."

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-A3 Prohibits PBMs from holding network pharmacies responsible for claim adjudication fees and from recouping costs associated with claims for which the pharmacy has already been paid.

-A4 Prohibits PBMs from requiring an enrollee to fill or refill prescriptions at a mail order pharmacy. Requires PBMs to allow pharmacies to provide enrollees with cost-sharing information. Prohibits PBMs from not allowing long term care residents to fill or refill prescriptions at contracted pharmacies under specified circumstances. Prohibits PBMs from imposing unreasonable requirements on specialty pharmacies interested in contracting with PBM. Prohibits PBMs from interfering with the rights of enrollees to be educated about the means available to reduce prescription drug costs. Defines "enrollee," "mail order pharmacy," "network pharmacy," "pharmacy benefit," "specialty drug," and "specialty pharmacy." Defines "generally available for purchase" and "similarly situated pharmacy." Prohibits PBMs from reimbursing 340B pharmacies at a lower rate than rate paid to network pharmacies. Establishes network pharmacy reimbursement appeal rights and processes.

BACKGROUND:

Pharmacy benefit managers (PBMs) are intermediaries between health insurers, pharmacies, wholesalers, and manufacturers. Most health insurers contract with PBMs to provide third-party administrative services for insurer's pharmacy benefit, with the goal of cost-containment. PBM services can include claims processing, formulary, and benefit design (tiers, utilization management, cost-sharing), pharmacy network contracting, and rebate negotiation with manufacturers. Additional services PBMs provide include administration of mail order or specialty pharmacy services. Insurers can choose if and what services they contract with PBMs to perform on their behalf. In Oregon, 55 PBMs are currently registered with the Department of Consumer and Business Services.

House Bill 2185-A establishes new restrictions on pharmacy benefit managers in Oregon.

HHC Vote: 11-0

House Floor Vote: 58-0