

HB 2185 B -B10 STAFF MEASURE SUMMARY

Senate Committee On Rules

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Meeting Dates: 6/10

WHAT THE MEASURE DOES:

Prohibits pharmacy benefit managers (PBMs) from requiring an enrollee to fill or refill prescriptions at a mail order pharmacy. Allows PBMs to require enrollees to fill or refill prescriptions for specialty drugs at a specialty pharmacy. Requires PBMs to allow enrollees residing in a long term care facility to fill or refill a prescription at a contracted pharmacy. Except for specialty drugs, requires PBMs to allow network pharmacies to mail, ship, or deliver prescription drug to its patients. Specifies that PBMs are not required to reimburse delivery fees for drugs mailed, shipped, or delivered by network pharmacies. Prohibits PBMs from penalizing a network pharmacy for informing enrollees about the difference between the out-of-pocket cost of a drug and pharmacy's retail price. Defines "enrollee," "health care service contract," "mail order pharmacy," "pharmacy benefit," "specialty drug," "specialty pharmacy," "generally available for purchase," and "similarly situated pharmacies." Specifies materials and information PBMs must supply to pharmacies relating to setting of maximum allowable cost. Prohibits PBMs from reimbursing a 340B pharmacy at a rate that is lower than the rate paid to other network pharmacies. Prohibits PBMs from retroactively denying or reducing a claim for reimbursement with specified exceptions. Specifies appeal process by network pharmacies of PBM reimbursements.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-B10 Replaces the measure. Prohibits Pharmacy Benefit Manager (PBM) from requiring use of mail order pharmacy as condition of reimbursement. Limits ability of PMB to require use of specialty pharmacy as condition of reimbursement. Requires PMB to allow delivery by network pharmacy. Prohibits PBM from requiring patient signature as proof of delivery in specified circumstances. Prohibits PBM from penalizing network pharmacy for disclosing pricing information. Regulates content and disclosure of PBM lists containing maximum reimbursement amount. Regulates process by which network pharmacy may appeal amount of reimbursement by PBM. Authorizes Department of Consumer and Business Services to adopt rules.

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-B establishes new restrictions on pharmacy benefit managers in Oregon.