

SB 560 A -A5 STAFF MEASURE SUMMARY

House Committee On Health Care

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Meeting Dates: 5/4, 5/27

WHAT THE MEASURE DOES:

Requires insurers to count payments made by an enrollee or on behalf of an enrollee by another person when calculating out-of-pocket maximum or any other cost-sharing.

Senate Vote: *Passed. Ayes, 29; Nays, 1 (Heard)*

REVENUE: *No revenue impact*

FISCAL: *Fiscal impact issued*

ISSUES DISCUSSED:

- Medication affordability for people with chronic conditions
- Patient assistance programs and insurer use of co-pay accumulators
- Treatment of co-pay assistance by federal health programs (Medicare and Medicaid)
- Potential impact on insurance premiums
- Availability of generic options for brand drugs with patient assistance programs
- Impacts of patient assistance programs on prescription drug pricing and transparency

EFFECT OF AMENDMENT:

-A5 Removes definition of "cost-sharing." Adds definitions of "generic equivalent" and "pharmacy benefit manager." Requires drug manufacturers to report estimated total amount spent on the patient assistance program in the first year a drug is available for sale in the state as part of required annual report to Prescription Drug Price Transparency program.

BACKGROUND:

Many pharmaceutical manufacturers sponsor patient assistance programs (PAPs) that provide financial assistance to qualifying individuals to augment existing prescription drug coverage. One form of assistance is 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 expensive, brand name drugs with no generic equivalent. In Medicare, PAPs financial assistance does not count towards the beneficiaries true out-of-pocket (TrOOP) cost and many copay card programs exclude Medicare beneficiaries from eligibility.

Senate Bill 560 A 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.