

HB 2716 STAFF MEASURE SUMMARY

House Committee On Behavioral Health and Health Care

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Meeting Dates: 1/24

WHAT THE MEASURE DOES:

Prohibits pharmacy benefit manager (PBM) from discriminating against a 340B pharmacy in a manner that prevents or interferes with an enrollee’s choice to receive drugs from the pharmacy. Prohibits PBM or insurer from reimbursing a pharmacy or pharmacist an amount less than the PBM reimburses an affiliate of the PBM for the same drug or services. Prohibits PBM or insurer from imposing qualifications, limitations, or restrictions on pharmacies or pharmacists from participating in PBM’s network beyond requirements for licensing adopted by the State Board of Pharmacy.

FISCAL: May have fiscal impact, but no statement yet issued.

REVENUE: May have revenue impact, but no statement yet issued.

ISSUES DISCUSSED:

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. PBMs are the subject of scrutiny due in large part to the fact that the amount of discounts they obtain in their negotiations with drug manufacturers are often not publicly disclosed.

House Bill 2716 would prohibit specified practices by pharmacy benefit managers and insurers in providing reimbursement for prescription drugs.