

HB 2715 STAFF MEASURE SUMMARY

House Committee On Behavioral Health and Health Care

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Meeting Dates: 1/24

WHAT THE MEASURE DOES:

Prohibits insurers and pharmacy benefit managers from restricting coverage of physician-administered drug obtained by participating provider from pharmacy that is not participating pharmacy if drug is covered by policy, medically necessary, and meets federal laws regarding supply chain security. Defines "participating pharmacy," "participating provider," and physician-administered drug." Designates violation of prohibition on coverage restriction as unlawful practice.

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:

Physician-administered drugs are drugs other than a vaccines requiring infusion or injection that are typically administered by a health care provider in a physician's office or other outpatient clinical setting.

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 2715 would prohibit insurers and pharmacy benefit managers from restricting the coverage of physician-administered drugs obtained by a participating provider from a pharmacy that is not a participating pharmacy.