

HB 4012 -1 STAFF MEASURE SUMMARY

House Committee On Behavioral Health and Health Care

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/6

WHAT THE MEASURE DOES:

The measure prohibits health benefit plans from requiring a clinician-administered drug to be dispensed at limited pharmacies for an enrollee with a chronic, complex, rare, or life-threatening medical condition under specified circumstances. It defines “administer” and “clinician-administered drug” for purposes of the measure. The measure clarifies the circumstances permitting a health benefit plan to require a health care provider be reimbursed for clinician-administered drugs as a medical benefit.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 **Replaces the measure.** Prohibits insurer or pharmacy benefit manager (PBM) from restricting coverage of physician-administered drug obtained by a participating pharmacy from a pharmacy that is not a participating pharmacy in specified circumstances. Specifies actions constituting restricting coverage. Prohibits use of provider location in setting medical necessity criteria for physician-administered drugs. Establishes that violation of prohibitions is an unlawful trade practice.

BACKGROUND:

Traditionally, physicians have been able to “buy-and-bill” physician-administered drugs; wherein they purchase, store, prepare, and administer the drug to the patient and are then reimbursed for both the drug itself and its administration under the patient’s medical benefit. In recent years, payers have sought to reduce costs by requiring that physician-administered drugs be purchased from a specialty pharmacy and shipped to the provider’s office for administer. This practice, referred to as “white bagging,” commonly shifts reimbursement for the drug from being paid to the provider under the patient’s medical benefit to being paid to the specialty pharmacy under the patient’s pharmacy benefit. While patients can benefit from reduced costs under this reimbursement model, providers cite safety concerns such as the inability to adjust dosages or delays in the provision of care due to drug shipping issues.