

HB 1165 -- PHARMACY BENEFITS MANAGER

SPONSOR: Morris (140)

This bill requires pharmacy benefits managers (PBMs) to notify health carriers and pharmacies of any potential conflict of interest, including but not limited to common ownership or any other relationship between the PBM and any other health carrier or pharmacy with which the PBM contracts (Section 376.387.5, RSMo).

The bill specifies that no PBM shall prohibit, penalize, or restrict health carriers or enrollees from obtaining drugs from pharmacies that are not under contract with the PBM (Section 376.388.5).

This bill specifies that beginning January 1, 2020, no entity subject to the jurisdiction of Missouri shall act as a pharmacy benefits manager without a license issued by the Department of Insurance, Financial Institutions, and Professional Registration. The department may cause a complaint to be filed with the Administrative Hearing Commission against the holder of a PBM license for the reasons specified in the bill. Proceedings shall be conducted before the Administrative Hearing Commission as provided by law. The department may take action against a PBM's license as specified in the bill upon a finding that a rule has been violated (Section 376.393).

No later than March 1, 2022, and annually thereafter, each PBM shall file a report with the department for the immediately preceding calendar year regarding rebates, as defined in the bill. The report shall include the aggregate dollar amount of rebates collected from pharmaceutical manufacturers, the aggregate dollar amount of the rebates that were not passed on to health carriers, and the aggregate dollar amount of all fees and payments received from pharmaceutical manufacturers. The department shall establish a standardized form in consultation with PBMs designed to minimize administrative burden and reporting cost. Documents, materials, and other information submitted to the department under these provisions shall not be subject to disclosure, except to the extent reported in the aggregate. The department shall not disclose any information under these provisions in a manner that would compromise the financial, competitive, or proprietary nature of the information, or allow a third party to identify particular health benefit plans, carriers, PBMs, or rebate values. Pharmacy benefits managers shall also annually report an aggregation of this data to the General Assembly. The department shall annually produce and post on its website a report for the immediately preceding calendar year describing the rebate practices of health carriers that use pharmacy benefits managers, as specified in the bill. The

department may impose a penalty of up to \$7,500 on a PBM for each violation of these provisions (Section 376.2062).

No later than March 1, 2022, and annually thereafter, health carriers shall certify to the department that the health carrier has accounted for all rebates when calculating the premium for its health benefit plans (Section 376.2066).

This bill is the same as SB 413 (2019).