

HCS HB 2527 -- PRESCRIPTION DRUG COSTS

SPONSOR: Kelley (127)

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Health and Mental Health Policy by a vote of 13 to 2.

The following is a summary of the House Committee Substitute for HB 2527.

This bill requires health insurance deductible or coinsurance payments for prescription insulin to be calculated at the point of sale based on a price that is reduced by an amount equal to at least 100% of all rebates received, or to be received, in connection with the dispensing or administration of the drug.

The bill does not require any entity to disclose the actual amount of rebates received on a product, manufacturer, or pharmacy-specific basis as it considers that information subject to "trade secret" protections.

A pharmacy benefits manager must be licensed by the Department of Commerce and Insurance and the department must establish an application process and license fee for pharmacy benefits managers.

This bill lists the reasons for which the department may cause a complaint to be filed with the administrative hearing commission.

After the filing of a complaint, the proceedings shall be conducted in accordance with the provisions of Chapter 621, RSMo. If there is a finding by the Administrative Hearing Commission that requires disciplinary action the department may, singly or in combination, censure or place the person named in the complaint on probation for a period not to exceed five years, suspend the license, certificate or permit for a period not to exceed three years, or revoke the license, certificate, or permit. An individual whose license has been revoked may apply for relicensure after one year from the date of revocation.

A pharmacy benefits manager that has contracted with a health carrier, health benefit plan, the state, or a political subdivision of the state to provide pharmacy benefit management services for such an entity shall owe a fiduciary duty to that entity, and shall discharge that duty in accordance with federal and state law.

This bill is similar to SB 962 (2020).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced

version of the bill.

PROPONENTS: Supporters say that people need insulin to live and it is vital that they have access to it at the lowest price possible. Directing the rebates to the consumer at the point of sale is a good way to go. Nevada has passed this law and it seems to be working.

Testifying for the bill were Representative Kelley; Missouri Pharmacy Association; and Wayne Lee.

OPPONENTS: Those who oppose the bill say that rebates given at the point of sale are not beneficial to employers.

Testifying against the bill was the St. Louis Area Business Health Coalition.