

HB 1627 -- PAYMENTS FOR PRESCRIPTION DRUGS

SPONSOR: Wright

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Health and Mental Health Policy by a vote of 9 to 1, with 1 voting present. Voted "Do Pass" by the Standing Committee on Rules-Administrative Oversight by a vote of 7 to 0.

The bill specifies that certain provisions of law pertaining to pharmacists and pharmacies shall not be construed to prohibit patients' ability to obtain prescription services from any licensed pharmacist or pharmacy, and repeals language specifying that the provisions do not remove patients' ability to waive their freedom of choice under a contract with regard to payment or coverage of prescription expenses. Additionally, no pharmacy benefits manager (PBM) shall penalize or restrict a health carrier or enrollees from obtaining services from a contracted pharmacy.

Additionally, this bill repeals a provision of law specifying that certain PBM regulations shall not apply with regard to Medicare Part D, or other health plans regulated partly or wholly under federal law. Pharmacy benefits managers shall notify health carriers and pharmacies in writing 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. The bill provides standardized definitions for the terms "generic" and "rebate" applicable to PBMs and health carriers, and specifies that PBMs shall owe a fiduciary duty to the state or any health carrier, health benefit plan, or political subdivision with which it contracts.

The bill repeals a portion of a definition to specify that certain provisions relating to the maximum allowable cost of a prescription drug are applicable to all pharmacies, rather than only to contracted pharmacies. If the reimbursement for a drug to a contracted pharmacy is below the pharmacy's cost to purchase the drug, the PBM shall sustain an appeal and increase reimbursement for the pharmacy and other contracted pharmacies to cover the cost of purchasing the drug.

This bill is similar to HB 197 (2023).

PROPONENTS: Supporters say that transparency does not increase costs, and that rebate requests made by PBMs are in fact increasing prices to drugs. Further, the consolidation of PBMs, insurers, and pharmacies creates a monopoly that does not support patients and instead is focused on profit.

Testifying in person for the bill were Representative Wright; Erica Crane; Erica Maher; Martin Hinterlong, The Medicine Shoppe #0961; Walgreens; Missouri Hospital Association; Chris Geronsin, RPH, Beverly Hills Pharmacy; Missouri Pharmacy Association; Laura Haynes, Healthy Life Pharmacy; and Randy Powers, Powers Compounding Pharmacy.

OPPONENTS: Those who oppose the bill say that this bill undermines the ability of PBMs to control costs, and as a result, spending on prescription drugs will soar. Additionally, union plans are funded by contributions that are then used to cover health care costs for members and families; these plans suffer great risk of drastically increased costs for members if unable to contract with a PBM to maintain such low costs.

Testifying in person against the bill were Missouri Chamber of Commerce and Industry; Missouri Insurance Coalition; Sean Stephenson, Pcma; Missouri Afl-CIO; Missouri-Kansas Laborers District Council; and UA Plumbers & Pipefitters 562.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.