

HB 784 -- PAYMENTS FOR PRESCRIPTION DRUGS

SPONSOR: Peters

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Health and Mental Health by a vote of 16 to 0. Voted "Do Pass" by the Standing Committee on Rules-Administrative by a vote of 8 to 0

This bill prohibits health carriers and pharmacy benefits managers from discriminating against entities that dispense 340B drugs, including less reimbursement, imposing different terms, and other discriminatory practices.

The Director of the Department of Commerce and Insurance will create rules to enforce these provisions. The Department will impose a civil penalty on any health carrier, pharmacy benefit manager, or agent or affiliate of such health carrier or pharmacy benefit manager that violates the requirements of this bill. The penalty cannot exceed \$5,000 dollars per violation per day.

PROPONENTS: Supporters say that the 340B discount was always intended to go to a long list of covered entities, and that when a person goes to a pharmacy, that discount is typically deeper than how expensive the pharmacy can acquire the drug. Insurers were figuring out which transactions were and were not 340B drug transactions and thus began to slide the reimbursement scale.

Testifying in person for the bill were Representative Peters; Missouri Rural Health Association; SSM Health; Arnie Dienoff; Missouri Primary Care Association; and Missouri Primary Care Association.

OPPONENTS: Those who oppose the bill say that there are not 340B patients, only drugs, and that the program was started with the intent of helping hospitals that served a disproportionate share of the poor population. Over the years, the program has expanded by as much as 700% as more covered entities were designated. The policies described in this bill should apply to hospitals.

Testifying in person against the bill were Saint Luke's Health System; Hampton Williams, Missouri Insurance Coalition; Missouri Hospital Association; and America's Health Insurance Plans.

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.