
Health Care & Wellness Committee

HB 2464

Brief Description: Protecting patients from excess prescription medication charges.

Sponsors: Representatives Gildon and Young.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Limits the maximum amount a purchaser of prescription medication may be required to pay at the point of sale.

Hearing Date: 1/21/20

Staff: Kim Weidenaar (786-7120).

Background:

A pharmacy benefit manager (PBM) acts as an intermediary between the entities with which it contracts and pharmaceutical manufacturers to administer the drug benefit portion of a health plan. A PBM processes and pays prescription drug claims, develops and maintains the formulary, contracts with pharmacies, and negotiates discounts and rebates with manufacturers. To conduct business in Washington, a PBM must register with the Office of the Insurance Commissioner (OIC). The OIC has enforcement authority over the PBMs. A person, corporation, third-party administrator of prescription drug benefits, PBM, or business entity that violates laws relating to the PBMs is subject to a civil penalty of \$1,000 per violation or \$5,000 per violation if the violation was knowing and willful.

A health plan offering coverage to individuals or small groups is required, under the federal Patient Protection and Affordable Care Act (ACA), to cover 10 categories of essential health benefits, one of which is prescription drugs. To comply with the ACA's prescription drug coverage requirement, a health carrier must cover prescription drugs in a manner substantially equal to a benchmark plan selected by the state. The health carrier's formulary is part of the prescription drug category and must be substantially equal to the formulary in the benchmark plan.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill:

Beginning January 1, 2021, the maximum amount a pharmacy benefit manager or health carrier may require a person to pay at the point of sale for a covered prescription medication is the lesser of:

- the applicable cost sharing for the medication; or
- the amount the person would pay for the medication if he or she purchased it without using a health plan or any other source of prescription medication benefits or discounts.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.