

HB 272 2nd Sub, Pharmacy Benefit Amendments, (Ray, P.)

Anticipated Fiscal Impact:

Provisions previously having fiscal impact have been removed so that no fiscal impact is anticipated for the state health insurance risk pool

Summary:

2nd Sub. HB 272 removes provisions that would have produced a fiscal impact on the state health insurance pool.

First, 2nd Sub. HB 272 removes the requirement that drug manufacturer rebates be shared with patients based on proportional cost sharing. Thus, cost of shifting from the state to state employees would no longer occur.

Second, 2nd Sub. HB 272 makes claims-level rebates a matter of negotiation between PBMs and Health Plans, as is currently the case. Thus, the projected savings from greater transparency into rebate opportunities would no longer be available.

Third, 2nd Sub. HB 272 places a restriction on the ability of a PBM to restrict the use of a single mail-order outlet. This language, however, does not apply to a health plan. In addition, there is language in the Pharmacy Practice Act, specifically Subsection 58-17a-619(2)(b), that allows a Health Plan to use a single mail-order channel if certain conditions are met. Because of this language, PEHP may continue to access specialty drugs through a single mail-order outlet and the resulting savings to the State Health Insurance Pool of \$3,488,410. 2nd Sub. HB 272 does not impact this.

Accordingly, we do not anticipate that 2nd Sub. HB 272 would have a financial impact on the state health insurance risk pool.