

**SB 235, DISTRIBUTION OF PRESCRIPTION DRUG REBATES,**  
(Cullimore, K)

**Anticipated Fiscal Impact:**

\$ 4,490,688 per year (\$18.17 per employee per month)

SB 235 clarifies the distribution of prescription drug rebates. Currently, prescription drug rebates are associated with brand name prescription drugs and flow from manufacturers to PBMs and health plans. PEHP currently passes 100% of all rebates for state employees to the state employee health risk pool to offset increasing health costs.

This bill requires rebates to be applied as an offset to the member's cost share (deductibles, copayment or coinsurance) at the point of sale. While this would result in a savings to the individual members taking brand name drugs, it would result in a cost to the state employee health plan. Applying this methodology to 2019 claims, \$4,490,688 would have been applied to member cost sharing at the point of sale. The application of these funds directly to individual members raises the cost by the same amount for the State employee health risk pool.