

## **HB 308, PRESCRIPTION DRUG AMENDMENTS, (Eliason, S)**

### **Anticipated Fiscal Impact:**

\$504,161 per year (\$2.02 PEPM)

### **Summary:**

HB 308 alters the way 340b pharmacies are paid by insurers.

*Loss of discounted rates.* Currently, 340b pharmacies charge lower rates to insurers for certain discounted drugs obtained through the 340b program. HB 308 changes this by requiring insurers to pay higher commercial rates. Had this been in place for 2021, the added cost to the State Health Insurance Plan would be \$144,243 for the State Health Insurance Plan.

*Loss of Competitive Bidding.* PEHP currently utilizes a competitive bid process to obtain lower rates for dispensing services from 340B pharmacies. By requiring insurers to pay 340B pharmacies at commercial rates for 340B dispensing and eliminating the bid process, HB 308 adds \$191,468 in costs to the State Health Insurance Plan.

*Loss of Drug Manufacturer Rebates.* Brand name drugs are eligible for rebates unless they are subject to a 340B program. HB 308 makes it illegal for modifiers to be shared that would indicate whether the drug was part of a 340B program. This would make it impossible to track and obtain the equivalent value of rebates from 340B pricing. The loss of rebates for these claims would be \$168,450.