



COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Insurance and Financial Institutions, to which was referred Senate Bill No. 131, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 1, line 4, delete "Wholesale Acquisition Cost" and insert
2 **"Negotiated Rate"**.
- 3 Page 1, between lines 16 and 17, begin a new paragraph and insert:
4 **"Sec. 4. As used in this chapter, "negotiated rate" means the**
5 **amount a health plan has contractually agreed to pay an in**
6 **network provider, including an in network pharmacy or other**
7 **prescription drug dispenser, for covered items or services, whether**
8 **directly or indirectly, including through a third party**
9 **administrator or pharmacy benefit manager."**
- 10 Page 1, line 17, delete "Sec. 4." and insert "**Sec. 5.**".
- 11 Page 2, delete lines 3 through 10, begin a new paragraph and insert:
12 **"Sec. 6. A health plan must provide the amount of the negotiated**
13 **rate for a prescription drug on the written materials provided to**
14 **the covered individual at the point of sale of the prescription**
15 **drug."**
- 16 Page 2, delete lines 15 through 17, begin a new paragraph and
17 insert:
18 **"Sec. 1. This chapter applies to an agreement between a**
19 **pharmacy benefit manager and a health plan regarding**
20 **prescription drugs that:**

- 1 **(1) is entered into, renewed, or renegotiated after December**
 2 **31, 2021; and**
 3 **(2) provides that fifteen percent (15%) or more of the rebates**
 4 **for prescription drugs will accrue to the health plan instead**
 5 **of to covered individuals at the point of sale."**

6 Page 2, between lines 26 and 27, begin a new line block indented
 7 and insert:

- 8 **"(4) Any other plan or program that provides payment,**
 9 **reimbursement, or indemnification to a covered individual for**
 10 **the cost of prescription drugs.**

11 **Sec. 4. As used in this chapter, "policyholder" means an**
 12 **individual in whose name a health plan is held."**

13 Page 2, line 27, delete "Sec. 4." and insert "Sec. 5."

14 Page 2, line 30, delete "Sec. 5." and insert "Sec. 6."

15 Page 2, line 31, delete "an" and insert "**a health plan**".

16 Page 2, line 32, delete "insurer".

17 Page 2, delete lines 34 through 42, begin a new paragraph and
 18 insert:

19 **"Sec. 7. An agreement to which this chapter applies must**
 20 **contain a contractual provision that requires the pharmacy benefit**
 21 **manager to provide on an annual basis, not later than sixty (60)**
 22 **days after the end of each policy year, a notice to a policyholder**
 23 **that states the following:**

- 24 **(1) An explanation of what a rebate is.**
 25 **(2) An explanation of how rebates accrue to a health plan**
 26 **from a manufacturer.**
 27 **(3) The aggregate amount of rebates for all prescription drugs**
 28 **dispensed or administered to covered individuals on the**
 29 **policyholder's health plan that accrued to the health plan**
 30 **during the previous policy year. This information may not**
 31 **include any information about an individual prescription**
 32 **drug, including the name, manufacturer, quantity, or dosage**
 33 **of a prescription drug.**

- 1 **The notice required by this section may be provided by first class**
- 2 **mail or electronic mail."**
- 3 Delete page 3.
(Reference is to SB 131 as introduced.)

and when so amended that said bill do pass .

Committee Vote: Yeas 5, Nays 3.

Senator Zay, Chairperson