



March 15, 2019

ENGROSSED HOUSE BILL No. 1029

DIGEST OF HB 1029 (Updated March 13, 2019 12:40 pm - DI 133)

Citations Affected: Noncode.

Synopsis: Prescription drug pricing study committee. Urges the legislative council to assign to the interim study committee on public health, behavioral health, and human services the task of studying issues consumers face related to prescription drug pricing, access, and costs.

Effective: Upon passage.

Shackleford, Davisson, Chyung, Kirchhofer

(SENATE SPONSORS — CHARBONNEAU, BREAUX, RUCKELSHAUS)

January 3, 2019, read first time and referred to Committee on Public Health.
February 7, 2019, amended, reported — Do Pass.
February 11, 2019, read second time, ordered engrossed. Engrossed.
February 12, 2019, read third time, passed. Yeas 91, nays 0.

SENATE ACTION

March 4, 2019, read first time and referred to Committee on Health and Provider Services.
March 14, 2019, reported favorably — Do Pass.

EH 1029—LS 6320/DI 77



March 15, 2019

First Regular Session of the 121st General Assembly (2019)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2018 Regular and Special Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1029

A BILL FOR AN ACT concerning health.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. [EFFECTIVE UPON PASSAGE] (a) **The legislative**
2 **council is urged to assign to the interim study committee on public**
3 **health, behavioral health, and human services the task of studying**
4 **issues consumers face related to prescription drug pricing, access,**
5 **and costs, including the following:**
6 (1) **The process in which a prescription drug moves through**
7 **the supply chain to the consumer, including the role of**
8 **pharmaceutical manufacturers, wholesale distributors,**
9 **pharmacies, specialty pharmacies, health insurers, and**
10 **pharmacy benefit managers. Information may include the**
11 **following:**
12 (A) **The financial transactions that occur between**
13 **prescription drug supply entities.**
14 (B) **The role of rebates and discounts in the prescription**
15 **drug supply chain.**
16 (C) **The impact that drug prices and supply chain issues**
17 **have on the ability of state and local governments to**
18 **provide effective prescription drug treatments.**

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- 1 **(2) The methods that health insurers and pharmacy benefit**
- 2 **managers currently use to manage prescription drug costs,**
- 3 **including information on the following:**
- 4 **(A) Utilization management.**
- 5 **(B) Formularies and preferred drug lists.**
- 6 **(C) Pharmacy networks.**
- 7 **(3) The function of pharmaceutical manufacturer rebates and**
- 8 **discounts used by health insurers and pharmacy benefit**
- 9 **managers to decrease the cost of a prescription drug for a**
- 10 **consumer.**
- 11 **(4) The current trends in health care spending in the United**
- 12 **States, including prescription drug spending.**
- 13 **(5) The trends in insurance benefit design and the potential**
- 14 **impact that changes are having or may have on consumer**
- 15 **out-of-pocket costs for prescription drugs.**
- 16 **(6) The efforts that pharmaceutical manufacturers, health**
- 17 **insurers, and pharmacy benefit managers have made to be**
- 18 **transparent about the following:**
- 19 **(A) Prescription drug costs.**
- 20 **(B) Utilization management methods, including drug**
- 21 **formulary changes, prior authorization, and step therapy**
- 22 **requirements.**
- 23 **(b) This SECTION expires January 1, 2020.**
- 24 **SECTION 2. An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1029, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 3, after "studying" insert **"issues consumers face related to"**.

Page 1, line 4, delete "price transparency by drug manufacturers," and insert **"pricing, access, and costs,"**.

Page 1, delete lines 6 through 18, begin a new line block indented and insert:

"(1) The process in which a prescription drug moves through the supply chain to the consumer, including the role of pharmaceutical manufacturers, wholesale distributors, pharmacies, specialty pharmacies, health insurers, and pharmacy benefit managers. Information may include the following:

(A) The financial transactions that occur between prescription drug supply entities.

(B) The role of rebates and discounts in the prescription drug supply chain.

(C) The impact that drug prices and supply chain issues have on the ability of state and local governments to provide effective prescription drug treatments.

(2) The methods that health insurers and pharmacy benefit managers currently use to manage prescription drug costs, including information on the following:

(A) Utilization management.

(B) Formularies and preferred drug lists.

(C) Pharmacy networks.

(3) The function of pharmaceutical manufacturer rebates and discounts used by health insurers and pharmacy benefit managers to decrease the cost of a prescription drug for a consumer.

(4) The current trends in health care spending in the United States, including prescription drug spending.

(5) The trends in insurance benefit design and the potential impact that changes are having or may have on consumer out-of-pocket costs for prescription drugs.

(6) The efforts that pharmaceutical manufacturers, health insurers, and pharmacy benefit managers have made to be transparent about the following:



(A) Prescription drug costs.

(B) Utilization management methods, including drug formulary changes, prior authorization, and step therapy requirements."

Page 2, delete lines 1 through 5.

and when so amended that said bill do pass.

(Reference is to HB 1029 as introduced.)

KIRCHHOFER

Committee Vote: yeas 11, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred House Bill No. 1029, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to HB 1029 as printed February 8, 2019.)

CHARBONNEAU, Chairperson

Committee Vote: Yeas 10, Nays 0

