

SENATE BILL No. 131

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-1.

Synopsis: Disclosures related to prescription drugs. Beginning January 1, 2022, requires: (1) a state employee health plan, a policy of accident and sickness insurance, and a health maintenance organization contract to provide to a covered individual the wholesale acquisition cost of a prescription drug not later than 60 days after the prescription drug is dispensed or administered to the covered individual; and (2) a state employee health plan, a policy of accident and sickness insurance, and a health maintenance organization contract to provide a covered individual with the amount of the rebate received by the health plan for a prescription drug dispensed for the covered individual if the amount of the rebate exceeds 15% of the wholesale acquisition cost of the prescription drug.

Effective: July 1, 2021.

Walker K, Bohacek

January 5, 2021, read first time and referred to Committee on Insurance and Financial Institutions.



First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

SENATE BILL No. 131

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

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

- 1 SECTION 1. IC 27-1-24.6 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2021]:
- 4 **Chapter 24.6. Disclosure of Wholesale Acquisition Cost**
- 5 **Sec. 1. This chapter applies to prescription drugs covered under**
- 6 **a health plan and dispensed or administered to a covered**
- 7 **individual after January 1, 2022.**
- 8 **Sec. 2. As used in this chapter, "covered individual" means an**
- 9 **individual who is entitled to coverage under a health plan.**
- 10 **Sec. 3. As used in this chapter, "health plan" means the**
- 11 **following:**
- 12 **(1) A state employee health plan (as defined in IC 5-10-8-7).**
- 13 **(2) A policy of accident and sickness insurance (as defined in**
- 14 **IC 27-8-5-1).**
- 15 **(3) An individual contract (as defined in IC 27-13-1-21) or a**
- 16 **group contract (as defined in IC 27-13-1-16).**
- 17 **Sec. 4. As used in this chapter, "prescription drug" means a**



1 controlled substance or a legend drug (as defined in
2 IC 16-18-2-199).

3 Sec. 5. As used in this chapter, "wholesale acquisition cost"
4 means the manufacturer's list price for a prescription drug when
5 sold to a wholesaler or a direct purchaser in the United States, not
6 including any discounts, rebates, or other reductions in price.

7 Sec. 6. A health plan must provide to a covered individual the
8 wholesale acquisition cost of a prescription drug not later than
9 sixty (60) days after the prescription drug is dispensed or
10 administered to the covered individual.

11 SECTION 2. IC 27-1-24.7 IS ADDED TO THE INDIANA CODE
12 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2021]:

14 **Chapter 24.7. Disclosure of Rebates**

15 Sec. 1. This chapter applies to prescription drugs covered under
16 a health plan and dispensed or administered to a covered
17 individual after January 1, 2022.

18 Sec. 2. As used in this chapter, "covered individual" means an
19 individual who is entitled to coverage under a health plan.

20 Sec. 3. As used in this chapter, "health plan" means the
21 following:

- 22 (1) A state employee health plan (as defined in IC 5-10-8-7).
- 23 (2) A policy of accident and sickness insurance (as defined in
24 IC 27-8-5-1).
- 25 (3) An individual contract (as defined in IC 27-13-1-21) and a
26 group contract (as defined in IC 27-13-1-16).

27 Sec. 4. As used in this chapter, "prescription drug" means a
28 controlled substance or a legend drug (as defined in
29 IC 16-18-2-199).

30 Sec. 5. As used in this chapter, "rebate" means a discount or
31 other price concession that accrues directly or indirectly to an
32 insurer from a manufacturer in connection with the dispensing or
33 administration of a prescription drug.

34 Sec. 6. As used in this chapter, "wholesale acquisition cost"
35 means the manufacturer's list price for a prescription drug when
36 sold to a wholesaler or a direct purchaser in the United States, not
37 including any discounts, rebates, or other reductions in price.

38 Sec. 7. If a health plan receives or anticipates that it will receive
39 a rebate that exceeds fifteen percent (15%) of the wholesale
40 acquisition cost of a prescription drug, the health plan must
41 provide the covered individual to whom the prescription drug was
42 dispensed or administered with written notice, not later than sixty



1 **(60) days after the prescription drug is dispensed or administered,**
2 **of the dollar amount of the rebate it received or will receive for the**
3 **prescription drug.**

