

CONFERENCE COMMITTEE REPORT SUMMARY

Measure CCS for HB 2632

Principal Authors: Representative Echols
Senator McCortney

General Subject Matter: Insurance

General Description of **Major Differences** between the current report and the version last seen and voted on in the House and the sections in which such differences are located:

√ Changes from engrossed House measure which were made in the Senate and contained in conference committee report/substitute (applies *only* to House measures):

Section 5: Removes the prohibition on PBMs to impose a monetary penalty on an individual which would affect the individual's choice of network pharmacy.

Section 6: Removes the provision stating that the insurer and PBM have a fiduciary responsibility for a covered person with respect to prescription drug benefits. Provides that a person's choice of in-network pharmacy may be either retail or mail-order and that such choice may not be restricted by an insurer.

Section 7: Provides that an insurer's report filed with the Insurance Commissioner regarding use of compensation from a pharmaceutical manufacturer will not be considered proprietary information.

Section 12: Stipulates that the provisions of this measure do not apply to self-funded benefit plans governed by the Employee Retirement Income Security Act of 1974, unless a ruling of the U.S. Supreme Court or an Act of Congress establishes that states have the authority to regulate PBMs.

√ Changes made in conference:

Section 5: Removes the prohibition on PBMs to impose a monetary penalty on an individual which would affect the individual's choice of network pharmacy.

Section 6: Removes the provision stating that the insurer and PBM have a fiduciary responsibility for a covered person with respect to prescription drug benefits.

Removes the requirement that all compensation received by an insurer from a pharmaceutical manufacturer be used to lower costs or expand coverage.

Section 11: Adds section adding a severability clause to the act.

Date Prepared: May 6, 2019
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