

BILL SUMMARY
1st Session of the 57th Legislature

Bill No.:	HB2632
Version:	FA1
Request Number:	NA
Author:	Rep. Echols
Date:	3/7/2019
Impact: OMES:	Negative fiscal impact of \$5 million.

Research Analysis

The floor amendment to HB 2362 alters multiple aspects of the Patient's Right to Pharmacy Choice Act:

- Specifies that the account relates only to independent pharmacists, not pharmacists associated with chain pharmacies.
- Removes the stipulation that pharmacy benefits managers (PBM) cannot deny a pharmacy participation in a pharmacy network at standard participation status.
- Allows PBMs to retroactively deny or reduce reimbursement during the adjudication of a claim so long as the denial or reduction is correcting errors identified in an audit.
- Prohibits benefit plans, and any pharmacy providing pharmacy benefit management services, from restricting disclosure of differences between out-of-pocket costs of a prescription drug under the plan and not under the plan.
- Requires PBMs to maintain an electronic claim inquiry processing system, using National Council for Prescription Drug Programs standards, to communicate information related to claim inquiries, including eligibility, benefits, and claim payments.
- Adds that PBMs, along with health insurers, have fiduciary duty to all covered persons.
- Makes notification of prescription drug price being less than person's copayment or coinsurance price optional rather than mandatory.
- Removes that prohibition that persons receiving compensation from a pharmaceutical manufacturer or distributor cannot serve on the pharmacy and therapeutics committee (P&T committee).
- Removes the requirement that health insurers prohibit P&T members from receiving any compensation from any pharmaceutical manufacturer or distributor. Instead, requires that any member receiving compensation disclose this information to the health insurer. In cases related to products for which the member is receiving compensation, he or she shall not be allowed to vote.
- Removes the requirement that a health insurer display its formulary on its website.

Prepared By: Anna Rouw

Fiscal Analysis

After analysis of the amendment FA1, per OMES and HealthChoice, the current fiscal impact for the HealthChoice plan is as follows:

- The amendment to Page 6, Line 17 reduces the impact to HealthChoice by \$2.2 million.

- The sections mandating an open pharmacy network have a remaining negative fiscal impact of \$5 million.

An open pharmacy network mandate would prevent HealthChoice from utilizing an exclusive specialty pharmacy arrangement for specialty medications. HealthChoice would be required to utilize an open specialty pharmacy network, allowing any pharmacy to participate and provide specialty medications for members. The significantly deeper discount rates HealthChoice currently has with an exclusive specialty provider network would be lost under an open specialty pharmacy network, which will result in an additional \$5 million in spend on specialty medications. This amount will increase annually with the rising cost of specialty medications.

The sections of HB 2632 with language mandating an open pharmacy network are listed below.

- Section 4., C.
- Section 5., B., 4.
- Section 6., E.

Prepared By: Jenny Mobley

Other Considerations

None.