

**Bill Summary**  
1<sup>st</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 2632</b>
<b>Version:</b>	<b>CCS</b>
<b>Request No.:</b>	<b>8892</b>
<b>Author:</b>	<b>Sen. McCortney</b>
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**Bill Analysis**

The CCS on HB 2632 requires pharmacy benefits managers (PBM's) to comply with the following coverage standards:

- 1) At least 90% of covered individuals residing in an urban service area must live within 2 miles of a retail pharmacy participating in the PBM's retail pharmacy network
- 2) At least 90% of covered individuals residing in an urban service area must live within 5 miles of a retail pharmacy designated as a preferred participating pharmacy
- 3) At least 90% of covered individuals residing in a suburban service area must live within 5 miles of a retail pharmacy participating in the PBM's retail pharmacy network
- 4) At least 90% of covered individuals residing in an urban service area must live within 7 miles of a retail pharmacy designated as a preferred participating pharmacy
- 5) At least 70% of covered individuals residing in a rural service area must live within 15 miles of a retail pharmacy participating in the PBM's retail pharmacy network
- 6) At least 70% of covered individuals residing in rural service area must live within 18 miles of a retail pharmacy designated as a preferred participating pharmacy

Rural, suburban, and urban service areas are defined according to certain population density per square mile. A PBM may not require patients to use pharmacies that are directly or indirectly owned by the PBM nor shall it include a list of providers unless the PBM lists all providers in its service area. The Oklahoma Insurance Department is directed by the measure to review and approve retail pharmacy network access for all PBM's as it relates to pharmacy network access standards.

The Insurance Commissioner is empowered by the measure to examine and investigate into the affairs of every PBM to ensure compliance. Files and records of the PBM related to a particular complaint shall be subject to a motion by the Commissioner. Within 30 days of the Commissioner's request for records, a PBM must furnish a reply to the Commissioner. Records received in this manner are to be kept confidential. The measure directs the Commissioner to establish the Prescription Access and Affordability Advisory Committee to review complaints, hold hearings, and penalize violations, including license suspension, license revocation, or a fine not to exceed \$10,000.00.

A PBM or representative of a PBM is prohibited from engaging in deceptive advertising, charging a pharmacist for the resolution of a claim, providing a smaller reimbursement to pharmacies under common ownership, denying a pharmacy the opportunity to participate in a

network if the pharmacy accepts the terms and conditions of the network, imposing a monetary disadvantage to out-of-network pharmacies, denying or reducing reimbursement for a covered service claim after returning a paid claim, or failing to make any payment due to a pharmacy or pharmacist. Certain limitations are imposed on PBM contracts.

Health insurers contracted with a PBM are directed by the measure to monitor or hire an entity to monitor all activities carried out by, or on behalf of, the health insurer as it relates to the provisions of the measure. PBMs' and health insurers may not restrict a person's choice of in-network provider for prescription drugs, including mail-order pharmacies. A health insurer's pharmacy and therapeutics committee (P&T committee) must establish a formulary detailing a list of drugs used by practitioners to aid in the determination of greatest value for treatment. No person may serve on an insurer's P&T committee if he or she is currently employed or was employed within the preceding year by a pharmaceutical manufacturer, developer, labeler, wholesaler or distributor.

### **Conference Committee Report**

The CCS on HB 2632 replaces "benefits plan" with "health insurer" in the measure, removes a section requiring PBM's to spend compensation received in a certain manner, and specifies that the coverage requirements shall apply to persons residing in the coverage area. The CCS also restores Title on the measure and adds a severability clause.

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