



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 941

PRINTERS NO. 4617

PRIME SPONSOR: Heffley

### COST / (SAVINGS)

FUND	FY 2019/20	FY 2020/21
General Fund	\$0	\$0

**SUMMARY:** House Bill 941, Printer's Number 4617, amends Section 449 (Medical Assistance Pharmacy Services) of the Human Services Code and adds Section 449.1 (Prescription Drug Pricing Study). This legislation is effective in 60 days.

**ANALYSIS:** This legislation provides that the Department of Human Services (DHS) may conduct an audit or review of an "entity", which is defined as a pharmacy, pharmacy benefit manager (PBM), pharmacy services administration organization (PSAO) or other entity that manages, processes, influences the payment for or dispenses pharmacy services to Medical Assistance (MA) recipients in the managed care delivery system.

HB 941 includes the following: a list of provisions that are prohibited in contracts between entities and pharmacies; preventing the retroactive denial or modification of an approved claim for payment except in specific circumstances; prohibits a managed care organization (MCO) or PBM from requiring a MA recipient to use a specific pharmacy unless preapproved by DHS; and placing restrictions on PBM and PSAO requirements for pharmacists and pharmacies. In addition, MCO's are required to submit network pharmacy payment methodology and certain payment data to DHS; and requires a pharmacy to provide actual acquisition cost data for prescriptions dispensed to MA recipients to DHS.

The bill adds Section 449.1, Prescription Drug Pricing Study, that requires the Legislative Budget and Finance Committee to conduct a study analyzing prescription drug pricing in the MA managed care program. The study will: provide an overview of the MA pharmaceutical distribution and payment system; review reimbursement practices by PBMs to pharmacies and to PBMs by MCOs; investigate and compare reimbursement rates by PBMs to independent pharmacies and to chain pharmacies; and study state laws and best practices adopted by other states regarding PBMs and pharmacy reimbursement.

**FISCAL IMPACT:** According to the Department of Human Services, enactment of this legislation will have no fiscal impact.

**PREPARED BY:** Ann Bertolino  
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House Appropriations Committee (R)

**DATE:** November 18, 2020

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*