

# **SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE**

**BILL NO.** House Bill 941

**PRINTER NO.** 4574

**AMOUNT**

No Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

May 7, 2019

**PRIME SPONSOR**

Representative Heffley

**DESCRIPTION AND PURPOSE OF BILL**

House Bill 941 amends the Human Services Code by adding a section pertaining to financial disclosures for pharmacy services.

The bill allows the Department of Human Services (department) to conduct an audit of or to review an entity that provides pharmacy services to a managed care organization (MCO). This includes pharmacy benefits managers (PBMs). House Bill 941 stipulates that the information requested as part of the audit or review shall only pertain to medical assistance-specific information. This information is confidential and not subject to disclosure under the Right to Know Act.

The bill prohibits a contract between an MCO and a PBM from containing a confidentiality provision, which prohibits the disclosure of information to the department or restricts communication between the MCO and the department.

The bill requires a managed care organization to submit its policies and procedures and any revisions for development of network pharmacy payment methodology to the department. The department shall review all changes to pharmacy payment methodology prior to implementation.

House Bill 941 also prohibits a PBM or pharmacy services administration organization (PSAO) from:

- Requiring the pharmacy to participate in a PBM or PSAO network as a condition of participation;
- Dis-enrolling and re-enrolling a pharmacy without cause. Any modification of the contract terms shall be in writing with the pharmacy or pharmacist;
- Charge or retain a differential between what is billed to an MCO and what is paid to pharmacies; and
- Charge a pharmacy transmission fee unless the amount is disclosed and applied at the time of claim adjudication.

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MCOs and PBMs may not mandate that a medical assistance recipient use a specific pharmacy. If an entity approves a claim for payment under the medical assistance program, the claim cannot be retroactively modified or denied unless the claim was the result of any of the following:

- Fraud;
- Duplicative of a prior claim; or
- The pharmacy did not provide the service on the claim.

The bill requires the MCO or PBM to provide payment for a pharmacy service that is a covered benefit so long as the service was performed within the pharmacist's scope of practice, and the MCO or PBM would cover the pharmacy service if it were performed by a physician, nurse practitioner or physician assistant.

House Bill 941 requires the Legislative Budget and Finance Committee to conduct a study to analyze prescription drug pricing under the medical assistance managed care program.

This act shall take effect in 60 days.

## **FISCAL IMPACT:**

According to the Department of Human Services, House Bill 941 will have no fiscal impact on Commonwealth funds.

In addition, the Legislative Budget and Finance Committee is able to perform the analysis required in House Bill 941 within its current appropriation level. Taking on this project may impact its ability to take on additional projects.