

SB 100 (see companion bill AB 103)

Application of prescription drug payments to health insurance cost-sharing requirements. Health insurance policies and plans often apply deductibles and out-of-pocket maximum amounts to the benefits covered by the policy or plan. A deductible is an amount that an enrollee in a policy or plan must pay out of pocket before attaining the full benefits of the policy or plan. An out-of-pocket maximum amount is a limit specified by a policy or plan on the amount that an enrollee pays, and, once that limit is reached, the policy or plan covers the benefit entirely. This bill generally requires health insurance policies that offer prescription drug benefits, self-insured health plans, and pharmacy benefit managers acting on behalf of policies or plans to apply amounts paid by or on behalf of an individual covered under the policy or plan for brand name prescription drugs to any cost-sharing requirement or to any calculation of an out-of-pocket maximum amount of the policy or plan. Health insurance policies are referred to in the bill as disability insurance policies.

SB 737 (see companion bill AB 773)

Regulation of pharmacy benefit managers, fiduciary and disclosure requirements on pharmacy benefit managers, and application of prescription drug payments to health insurance cost-sharing requirements.

SB 719 (see companion bill AB 748)

Cost-sharing cap on insulin

This bill prohibits every health insurance policy and governmental self-insured health plan that cover insulin and impose cost sharing on prescription drugs from imposing cost sharing on insulin in an amount that exceeds \$35 for a one-month supply. Current law requires every health insurance policy that provides coverage of expenses incurred for treatment of diabetes to provide coverage for specified expenses and items, including insulin. The required coverage under

current law for certain diabetes treatments other than insulin infusion pumps is subject to the same exclusions, limitations, deductibles, and coinsurance provisions of the policy as other covered expenses. The bill's cost-sharing limitation on insulin supersedes the specification that the exclusions, limitations, deductibles, and coinsurance are the same as for other coverage.

Fiduciary and disclosure requirements for pharmacy benefit managers

The bill imposes fiduciary and disclosure requirements on pharmacy benefit managers. Pharmacy benefit managers contract with health plans that provide prescription drug benefits to administer those benefits for the plans. They also have contracts with pharmacies and pay the pharmacies for providing the drugs to the plan beneficiaries.

The bill provides that a pharmacy benefit manager owes a fiduciary duty to a plan sponsor. The bill also requires that a pharmacy benefit manager annually disclose all of the following information to the plan sponsor:

1. The indirect profit received by the pharmacy benefit manager from owning a pharmacy or service provider.
2. Any payments made to a consultant or broker who works on behalf of the plan sponsor.
3. From the amounts received from drug manufacturers, the amounts retained by the pharmacy benefit manager that are related to the plan sponsor's claims or bona fide service fees.
4. The amounts received from network pharmacies and the amount retained by the pharmacy benefit manager.

Reimbursements for certain 340B program entities

The bill prohibits any person from reimbursing certain entities that participate in the federal drug pricing program, known as the 340B program, for a drug subject to an agreement under the program at a rate lower than that paid for the same drug to pharmacies that have a similar prescription volume. The bill also prohibits a person from imposing any fee, charge back, or other adjustment on the basis of the entity's participation in the 340B program. The entities covered by the prohibitions under the bill are federally qualified health centers, critical access hospitals, and grantees under the federal Ryan White HIV/AIDS program, as well as these entities' pharmacies and any pharmacy with which any of the entities have contracted to dispense drugs through the 340B program.

State Insulin Price Caps Seen as New Front in Drug Price Fight

Retail Pharmacies Accuse Benefit Managers of Price-Fixing Scheme

Henry Ford Health, Ascension Michigan to combine in \$10.5 billion system

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Aspirus Health, St. Luke's Duluth sign definitive agreement to form 19-hospital nonprofit

**Presbyterian Healthcare, UnityPoint Health
nix proposed merger**

**Minnesota AG reviewing two proposed
hospital mergers**