

**H.97 (as introduced) and S.139 (as passed by Senate): Side by side comparison of PBM provisions**

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Subject	H.97 (as introduced)	S.139 (as passed by Senate)
Definition of “maximum allowable cost” (MAC)	<b>The per unit drug product reimbursement amount, excluding dispensing fees, for a group of therapeutically and pharmaceutically equivalent multisource generic drugs</b>	<b>The per unit drug product reimbursement amount, excluding dispensing fees, for a group of therapeutically and pharmaceutically equivalent multisource generic drugs</b>
Definition of “price index”	Any variable, including average wholesale price, wholesale acquisition cost, or average manufacturer’s price, used by a pharmacy benefit manager in determining drug product reimbursement	No similar provision
Drug product reimbursement rate	Each contract between a pharmacy benefit manager (PBM) and a contracted pharmacy must include: <ul style="list-style-type: none"> <li>• sources used by the PBM to calculate the drug product reimbursement rate paid for all covered drugs available under the pharmacy health benefit plan administered by the PBM</li> <li>• price index methodology used to establish the drug product</li> </ul>	No similar provision

	<p>reimbursement rate</p> <ul style="list-style-type: none"> <li>• process to appeal, investigate, and resolve disputes regarding the drug product reimbursement rate</li> </ul>	
Maximum allowable cost (MAC)	<p>For each drug for which a PBM establishes a MAC in order to determine the reimbursement rate, the PBM must:</p> <ul style="list-style-type: none"> <li>• ensure that the drug is available from at least three manufacturers of FDA Orange Book “AB” rated equivalent multisource drugs</li> <li>• ensure that MAC applies only when a drug is available for purchase without limitations by all pharmacists in Vermont from licensed national or regional wholesalers, and that it will not apply if the drug is unavailable for 14 calendar days or more</li> <li>• <b>make available, in a format readily accessible and understandable by a pharmacist, a list of drugs subject to MAC, the actual MAC, and the source used to determine the MAC</b></li> <li>• <b>update the MAC list at least once every seven calendar days</b></li> </ul>	<p>For each drug for which a PBM establishes a MAC in order to determine the reimbursement rate, the PBM must:</p> <ul style="list-style-type: none"> <li>• <b>make available, in a format readily accessible and understandable by a pharmacist, a list of drugs subject to MAC, the actual MAC, and the source used to determine the MAC</b></li> <li>• <b>update the MAC list at least once every seven calendar days</b></li> </ul>

	<ul style="list-style-type: none"> <li>• <b>establish or maintain a reasonable process for an administrative appeals procedure to allow a dispensing pharmacy provider to contest a MAC</b> as not meeting requirements or being below cost at which the pharmacy obtained or may obtain the drug</li> <li>• Respond in writing to any appealing pharmacy provider as to the merit of the dispute within seven calendars days; either adjust the MAC to the actual acquisition cost for all network pharmacies or provide the pharmacy with an alternative product</li> </ul>	<ul style="list-style-type: none"> <li>• <b>establish or maintain a reasonable process for an administrative appeals procedure to allow a dispensing pharmacy provider to contest a MAC</b></li> </ul>
Beneficiary choice of pharmacy	Health insurers and PBMs must allow a beneficiary to fill a prescription at the pharmacy of his/her choice and not impose different cost-sharing requirements based on choice of pharmacy or otherwise promote one pharmacy over another	No similar provision
No pharmacy networks	Prohibits a health insurers PBM from conditioning pharmacy reimbursement on whether a pharmacy participates in the insurer's or PBM's network or other contractual agreement	No similar provision

