

1 H.202

2 Introduced by Representative Cordes of Bristol

3 Referred to Committee on

4 Date:

5 Subject: Health; health insurance; prescription drugs; pharmacy benefit
6 managers; pharmacies; hospitals; 340B drug pricing program

7 Statement of purpose of bill as introduced: This bill proposes to prohibit a
8 pharmacy benefit manager from requiring a person covered by a health
9 insurance plan to pay more for a prescription drug than the National Average
10 Drug Acquisition Cost of the drug plus a professional dispensing fee. The bill
11 would require pharmacies to post a notice informing covered persons
12 purchasing prescription drugs that they may ask the pharmacy staff to disclose
13 certain information regarding their price options. The bill would require
14 hospitals to report to the Green Mountain Care Board annually about their
15 participation in the federal 340B drug pricing program. It would also require
16 health insurers to inform covered persons annually of the actual amount their
17 health insurance plan spent on prescription drugs on their behalf during the
18 previous year and would require all entities participating in the 340B program
19 to inform patients annually if their prescription drugs were purchased through
20 the 340B program.

1 An act relating to increasing the transparency of prescription drug costs and
2 spending

3 It is hereby enacted by the General Assembly of the State of Vermont:

4 Sec. 1. 18 V.S.A. § 3612 is amended to read:

5 § 3612. PROHIBITED PRACTICES

6 * * *

7 (e)(1)~~(A)~~ A pharmacy benefit manager shall not require a covered person
8 purchasing a covered prescription drug to pay an amount greater than the lesser
9 of:

10 ~~(A)(i)~~ the cost-sharing amount under the terms of the health benefit
11 plan, as determined in accordance with subdivision (2) of this subsection (e);

12 ~~(B)(ii)~~ the maximum allowable cost for the drug; ~~or~~

13 ~~(C)(iii)~~ the amount the covered person would pay for the drug, after
14 application of any known discounts, if the covered person were paying the cash
15 price; or

16 (iv) the current National Average Drug Acquisition Cost plus a
17 professional dispensing fee in an amount equal to the professional dispensing
18 fee in effect for the Vermont Medicaid program.

19 (B) As used in subdivision (A)(iii) of this subdivision (e)(1), “cash
20 price” means the actual amount the individual would have paid if the
21 individual had purchased the drug without coverage for the drug under any

1 health benefit plan, which shall include the lowest possible price the individual
2 would be able to obtain by using a drug discount card.

3 * * *

4 Sec. 2. 18 V.S.A. § 3632 is added to read:

5 § 3632. DISCLOSURE OF AVAILABILITY OF COST INFORMATION

6 In order to assure covered persons that they are receiving the best available
7 price, each pharmacy in this State shall post a notice informing covered
8 persons purchasing prescription drugs that they may ask the pharmacy staff to
9 disclose to them the following amounts, as set forth in subdivision 3612(e)(1)
10 of this chapter:

11 (1) the cost-sharing amount under the terms of the covered person's
12 health benefit plan;

13 (2) the maximum allowable cost for the drug;

14 (3) the amount the covered person would pay for the drug, after
15 application of any known discounts, if the covered person were paying the cash
16 price; and

17 (4) the current National Average Drug Acquisition Cost plus a
18 professional dispensing fee in an amount equal to the professional dispensing
19 fee in effect for the Vermont Medicaid program.

1 Sec. 3. 18 V.S.A. § 9406 is added to read:

2 § 9406. REPORTING ON PARTICIPATION IN 340B DRUG PRICING
3 PROGRAM

4 Annually on or before July 1, each hospital participating in the federal 340B
5 drug pricing program established by 42 U.S.C. § 256b shall submit to the
6 Green Mountain Care Board a report detailing the hospital's participation in
7 the program during the previous calendar year, which report shall be posted on
8 the Green Mountain Care Board's website and which shall contain at least the
9 following information:

10 (1) the aggregated acquisition cost for all prescription drugs that the
11 hospital obtained through the 340B program during the previous calendar year;

12 (2) the aggregated payment amount that the hospital received for all
13 prescription drugs obtained under the 340B program and dispensed to patients
14 during the previous calendar year;

15 (3) the aggregated payment amount that the hospital made to pharmacies
16 with which the hospital contracted to dispense drugs to its patients under the
17 340B program during the previous calendar year;

18 (4) the aggregated payment amount that the hospital made to any other
19 outside vendor for managing, administering, or facilitating any aspect of the
20 hospital's 340B drug program during the previous calendar year;

1 (5) all other expenses related to administering the 340B program,
2 including staffing, operational, and administrative expenses, during the
3 previous calendar year;

4 (6) the names of all vendors, including split billing vendors, contract
5 pharmacies, and pharmacy benefit managers with which the hospital
6 contracted to provide services associated with the hospital's 340B program
7 participation during the previous calendar year;

8 (7) the number of claims for all prescription drugs the hospital obtained
9 through the 340B program during the previous calendar year, including the
10 total number of claims and the number of claims reported separately by payer
11 type, including Medicare, private insurance, and uninsured;

12 (8) a description of the ways in which the hospital uses savings from its
13 participation in the 340B program to benefit its community through programs
14 and services funded in whole or in part by savings from the 340B program,
15 including services that support community access to care that the hospital
16 could not continue without these savings;

17 (9) a description of the hospital's internal review and oversight of its
18 participation in the 340B program in compliance with the U.S. Department of
19 Health and Human Services, Health Resources and Services Administration's
20 340B program rules and guidance; and

21 (10) such additional information as the Board may request.

1 Sec. 4. 18 V.S.A. § 9414b is added to read:

2 § 9414b. ANNUAL PRESCRIPTION DRUG DISCLOSURES TO
3 CONSUMERS

4 (a) Annually, within 6 months following the end of the plan year, a health
5 insurer shall provide to each individual covered under a health insurance plan
6 offered or administered by the health insurer a report of the total amount that
7 the plan actually spent on prescription drugs for or on behalf of the covered
8 individual during the previous plan year, net of all rebates and discounts. The
9 health insurer shall send the prescription drug spending report to the covered
10 individual at the same address to which the health insurer sends the covered
11 individual's explanation of benefits.

12 (b) Annually, on or before March 1, each covered entity participating in the
13 federal 340B drug pricing program established by 42 U.S.C. § 256b shall
14 notify its patients if one or more of the prescription drugs prescribed for the
15 patient by a health care professional affiliated with the covered entity was
16 purchased through the 340B program. For a covered entity that is a hospital,
17 the notice shall include information regarding how to access the report on the
18 Green Mountain Care Board's website detailing the hospital's participation in
19 the 340B program, including the ways in which the hospital uses savings from
20 its participation in the 340B program to benefit its community.

1 Sec. 5. EFFECTIVE DATE

2 This act shall take effect on July 1, 2025, with the first report under Sec. 3

3 (18 V.S.A. § 9406) due on or before July 1, 2026.