

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Health Care to which was referred House Bill No. 577
3 entitled “An act relating to establishing the Vermont Prescription Drug
4 Discount Card Program” respectfully reports that it has considered the same
5 and recommends that the bill be amended by striking out all after the enacting
6 clause and inserting in lieu thereof the following:

7 Sec. 1. 18 V.S.A. chapter 91, subchapter 7 is added to read:

8 Subchapter 7. Vermont Prescription Drug Discount Card Program

9 § 4691. VERMONT PRESCRIPTION DRUG DISCOUNT CARD

10 PROGRAM

11 (a) There is established the Vermont Prescription Drug Discount Card
12 Program, administered by the Office of the State Treasurer, for the purpose of
13 pooling prescription drug purchasing power with other U.S. states and
14 territories and nongovernmental organizations. The Program shall be made
15 available to all Vermont residents.

16 (b)(1) To further the purposes of the Program, the State Treasurer may
17 cooperate with other U.S. states and territories, regional consortia, or
18 nongovernmental organizations, or a combination of these, to pool prescription
19 drug purchasing power to:

20 (A) reduce prescription drug costs;

21 (B) negotiate discounts with prescription drug manufacturers;

1 (C) centralize prescription drug purchasing; and

2 (D) establish volume discount contracting.

3 (2) As used in subdivision (1)(D) of this subsection, “volume discount
4 contracting” means the negotiated purchase of a large quantity of a prescription
5 drug at a decreased cost.

6 (c) The Treasurer may require that reasonable fees be charged to defray
7 Program costs. Notwithstanding any provision of 32 V.S.A. § 603 to the
8 contrary, the amount and method of collection of any fee shall be determined
9 by the Treasurer based on actual costs.

10 **(d) The amount paid for a prescription drug after application of the**
11 **Vermont Prescription Drug Discount Card by an individual who is**
12 **covered by a health insurance plan, as defined in 8 V.S.A. § 4011, shall be**
13 **attributed toward the covered individual’s deductible and out-of-pocket**
14 **responsibilities in accordance with 8 V.S.A. § 4093 and section 3612 of this**
15 **title.**

16 **(e)** On or before January 15, 2028, and annually thereafter, the State
17 Treasurer shall submit a report to the House Committee on Health Care, the
18 Senate Committee on Health and Welfare, and the Governor detailing the
19 activities of the Program during the previous calendar year, including the
20 number of Vermont residents and pharmacies participating in the Program, and

1 the amount of savings on prescription drug costs achieved, and the balance in
2 the Vermont Prescription Drug Discount Card Program Fund.

3 § 4692. VERMONT PRESCRIPTION DRUG DISCOUNT CARD
4 PROGRAM FUND

5 (a) The Vermont Prescription Drug Discount Card Program Fund is
6 established as a special fund to be administered by the State Treasurer to
7 support the Vermont Prescription Drug Discount Card Program established in
8 this subchapter.

9 (b) The Fund shall consist of:

10 (1) any monies appropriated to the Fund by the General Assembly;

11 (2) any monies transferred to the Fund from the federal government,
12 other State agencies, or other government source;

13 (3) any monies from the payment of fees or other monies due to the
14 Program; and

15 (4) any gifts, grants, or donations made to the Fund and any gifts, grants,
16 donations, or investments received by the Treasurer for the Program.

17 (c) The Treasurer shall credit to the Fund all interest earned on Fund
18 balances and any other income derived from the deposit and investment of
19 monies in the Fund.

20 (d) Any unexpended and unencumbered monies in the Fund at the end of a
21 fiscal year shall remain in the Fund.

1 **Sec. 2. 8 V.S.A. § 4093 is amended to read:**

2 § 4093. RETAIL PHARMACIES; FILLING OF PRESCRIPTIONS

3 * * *

4 (c)(1) A health insurer or pharmacy benefit manager shall permit a
5 participating network pharmacy to perform all pharmacy services within the
6 lawful scope of the profession of pharmacy as set forth in 26 V.S.A. chapter
7 36.

8 (2) A health insurer or pharmacy benefit manager shall not do any of the
9 following:

10 * * *

11 (F)(i) Exclude any amount paid by or on behalf of a covered
12 individual, including any third-party payment, financial assistance, discount,
13 discount card, coupon, or other reduction, regardless of whether the
14 individual purchased the drug with or without using coverage for the drug
15 under any health insurance plan, when calculating a covered individual's
16 contribution toward:

17 (I) the out-of-pocket limits for prescription drug costs under
18 section 4092 of this title;

19 (II) the covered individual's deductible, if any; or

1 (III) to the extent not inconsistent with Sec. 2707 of the Public
2 Health Service Act, 42 U.S.C. § 300gg-6, the annual out-of-pocket maximums
3 applicable to the covered individual's health benefit plan.

4 (ii) The provisions of subdivision (i) of this subdivision (F)
5 relating to a third-party payment, financial assistance, discount, coupon, or
6 other reduction in out-of-pocket expenses made on behalf of a covered
7 individual shall only apply to a prescription drug:

8 (I) for which there is no generic drug or interchangeable
9 biological product, as those terms are defined in 18 V.S.A. § 4601; or

10 (II) for which there is a generic drug or interchangeable
11 biological product, as those terms are defined in 18 V.S.A. § 4601, but for
12 which the covered individual has obtained access through prior authorization, a
13 step therapy protocol, or the pharmacy benefit manager's or health insurer's
14 exceptions and appeals process.

15 (iii) The provisions of subdivision (i) of this subdivision (F) shall
16 apply to a high-deductible health plan only to the extent that it would not
17 disqualify the plan from eligibility for a health savings account pursuant to 26
18 U.S.C. § 223.

19 **(iv) In order to facilitate the appropriate attribution of**
20 **amounts paid by or on behalf of a covered individual pursuant to**
21 **subdivision (i) of this subdivision (F) for a covered individual who**

1 purchases a prescription drug without using the prescription drug
2 coverage available for the drug under the covered individual's health
3 insurance plan, the health insurer or pharmacy benefit manager, or both,
4 shall:

5 (I) make readily available on its website a downloadable
6 proof of payment form for a covered individual to use to submit proof of
7 the actual amount that the covered individual paid for the drug; and

8 (II) provide notice to all covered individuals at least
9 annually that they are responsible for providing proof of payment using
10 the downloadable proof of payment form or another mechanism, if the
11 health insurer or pharmacy benefit elects to make another mechanism
12 available for submitting proof of payment in addition to the downloadable
13 form, in order to have their spending properly attributed to their out-of-
14 pocket limits, deductible, and out-of-pocket maximums as set forth in
15 subdivision (i) of this subdivision (F).

16 * * *

17 Sec. 3. 18 V.S.A. § 3612 is amended to read:

18 § 3612. PROHIBITED PRACTICES

* * *

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

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

(B) the maximum allowable cost for the drug; or

(C) the amount the covered person would pay for the drug ~~if the covered person were to pay the pharmacy's usual and customary cash price~~, after application of any known discounts, ~~if the covered person were paying the cash price~~ **instead of using the drug benefit; provided, however, that as used in this subdivision (C), the term "discount" does not include a prescription drug discount card or other third-party prescription drug benefit program.**

~~(B) As used in subdivision (A)(iii) of this subdivision (e)(1), "cash price" means the actual amount the covered person would have paid if the covered person had purchased the drug without coverage for the drug under any health benefit plan, which shall include the lowest possible price the covered person would be able to obtain by using a drug discount card.~~

(2)(A) A pharmacy benefit manager shall attribute any amount paid by or on behalf of a covered person ~~under subdivision (1) of this subsection (e),~~

1 including any third-party payment, financial assistance, discount, **discount**
2 **card**, coupon, or any other reduction in out-of-pocket expenses made by or on
3 behalf of a covered person for prescription drugs, **regardless of whether the**
4 **individual purchased the drug with or without using coverage for the drug**
5 **under any health benefit plan**, toward:

6 (i) the out-of-pocket limits for prescription drug costs under 8
7 V.S.A. § 4092;
8 (ii) the covered person's deductible, if any; and
9 (iii) to the extent not inconsistent with Sec. 2707 of the Public
10 Health Service Act, 42 U.S.C. § 300gg-6, the annual out-of-pocket maximums
11 applicable to the covered person's health benefit plan.

12 (B) The provisions of subdivision (A) of this subdivision (2) relating
13 to a third-party payment, financial assistance, discount, coupon, or other
14 reduction in out-of-pocket expenses made on behalf of a covered person shall
15 only apply to a prescription drug:

16 (i) for which there is no generic drug or interchangeable biological
17 product, as those terms are defined in section 4601 of this title; or
18 (ii) for which there is a generic drug or interchangeable biological
19 product, as those terms are defined in section 4601 of this title, but for which
20 the covered person has obtained access through prior authorization, a step

1 therapy protocol, or the pharmacy benefit manager’s or health benefit plan’s
2 exceptions and appeals process.

3 (C) The provisions of subdivision (A) of this subdivision (2) shall
4 apply to a high-deductible health plan only to the extent that it would not
5 disqualify the plan from eligibility for a health savings account pursuant to 26
6 U.S.C. § 223.

7 **(D) In order to facilitate the appropriate attribution of amounts**
8 **paid by or on behalf of a covered person pursuant to subdivision (A) of**
9 **this subdivision (2) for a covered person who purchases a prescription**
10 **drug without using the prescription drug coverage available for the drug**
11 **under the covered person’s health benefit plan, the pharmacy benefit**
12 **manager shall:**

13 **(I) make readily available on its website a downloadable**
14 **proof of payment form for a covered person to use to submit proof of the**
15 **actual amount that the covered person paid for the drug; and**

16 **(II) provide notice to all covered person at least annually**
17 **that they are responsible for providing proof of payment using a**
18 **downloadable proof of payment form or another mechanism, if the**
19 **pharmacy benefit manager elects to make another mechanism available**
20 **for submitting proof of payment in addition to the downloadable form, in**
21 **order to have their spending properly attributed to their out-of-pocket**

limits, deductible, and out-of-pocket maximums as set forth in subdivision (A) of this subdivision (2).

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Sec. 4. VERMONT PRESCRIPTION DRUG DISCOUNT CARD
PROGRAM; IMPLEMENTATION REPORT

On or before January 15, 2027, the State Treasurer shall report to the General Assembly regarding implementation of the Vermont Prescription Drug Discount Card Program established in 18 V.S.A. chapter 91, subchapter 7, as added by Sec. 1 of this act, as of that date, including any recommendations for improving the administration of the Program, any fees to be charged to participants, and an estimate of the projected costs to the State in the event that additional financial support is determined to be necessary to administer the Program.

Sec. 5. VERMONT PRESCRIPTION DRUG DISCOUNT CARD
PROGRAM; EVALUATION AND START-UP FUNDING

In fiscal year 2027, the sum of \$50,000.00 is appropriated from the General Fund to the Office of the State Treasurer for the costs of developing and implementing the Vermont Prescription Drug Discount Card Program as set forth in this act.

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

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8 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE