

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;

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 determine
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.

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

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:

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

1

* * *

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

5 (A)(i) the cost-sharing amount under the terms of the health benefit
6 plan, as determined in accordance with subdivision (2) of this subsection (e);
7 (B)(ii) the maximum allowable cost for the drug; or
8 (C)(iii) the amount the covered person would pay for the drug, after
9 application of any known discounts, if the covered person were paying the cash
10 price.

11 **(B) As used in subdivision (A)(iii) of this subdivision (e)(1), “cash**
12 **price” means the actual amount the individual would have paid if the**
13 **individual had purchased the drug without coverage for the drug under**
14 **any health benefit plan, which shall include the lowest possible price the**
15 **individual would be able to obtain by using a drug discount card.**

16 (2)(A) A pharmacy benefit manager shall attribute any amount paid by
17 or on behalf of a covered person under subdivision (1) of this subsection (e),
18 including any third-party payment, financial assistance, discount, **discount**
19 **card,** coupon, or any other reduction in out-of-pocket expenses made by or on
20 behalf of a covered person for prescription drugs, **regardless of whether the**

1 **individual purchased the drug with or without using coverage for the drug**

2 **under any health benefit plan,** toward:

3 (i) the out-of-pocket limits for prescription drug costs under 8

4 V.S.A. § 4092;

5 (ii) the covered person's deductible, if any; and

6 (iii) to the extent not inconsistent with Sec. 2707 of the Public

7 Health Service Act, 42 U.S.C. § 300gg-6, the annual out-of-pocket maximums

8 applicable to the covered person's health benefit plan.

9 (B) The provisions of subdivision (A) of this subdivision (2) relating

10 to a third-party payment, financial assistance, discount, coupon, or other

11 reduction in out-of-pocket expenses made on behalf of a covered person shall

12 only apply to a prescription drug:

13 (i) for which there is no generic drug or interchangeable biological

14 product, as those terms are defined in section 4601 of this title; or

15 (ii) for which there is a generic drug or interchangeable biological

16 product, as those terms are defined in section 4601 of this title, but for which

17 the covered person has obtained access through prior authorization, a step

18 therapy protocol, or the pharmacy benefit manager's or health benefit plan's

19 exceptions and appeals process.

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Sec. 4. VERMONT PRESCRIPTION DRUG DISCOUNT CARD

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PROGRAM; IMPLEMENTATION REPORT

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On or before January 15, 2027, the State Treasurer shall report to the

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General Assembly regarding implementation of the Vermont Prescription Drug

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Discount Card Program established in 18 V.S.A. chapter 91, subchapter 7, as

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added by Sec. 1 of this act, as of that date, including any recommendations for

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improving the administration of the Program, any fees to be charged to

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participants, and an estimate of the projected costs to the State in the event that

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additional financial support is determined to be necessary to administer the

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Program.

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Sec. 5. VERMONT PRESCRIPTION DRUG DISCOUNT CARD

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PROGRAM; EVALUATION AND START-UP FUNDING

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In fiscal year 2027, the sum of \$50,000.00 is appropriated from the General

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Fund to the Office of the State Treasurer for the costs of developing and

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implementing the Vermont Prescription Drug Discount Card Program as set

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forth in this act.

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Sec. 6. EFFECTIVE DATE

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This act shall take effect on July 1, 2026.

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6 (Committee vote: _____)

7 _____

8 Representative _____

9 FOR THE COMMITTEE