

1 **H.577 – HHC version showing markup as recommended by HW&M**

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

3 Subchapter 7. Vermont Prescription Drug Discount Card Program

4 § 4691. VERMONT PRESCRIPTION DRUG DISCOUNT CARD

5 PROGRAM

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

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

15 (A) reduce prescription drug costs;

16 (B) negotiate discounts with prescription drug manufacturers;

17 (C) centralize prescription drug purchasing; and

18 (D) establish volume discount contracting.

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

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

5 **(c) Monies received by the Program from transfers, gifts, grants,**
6 **donations, or any other source, including any monies provided to the State**
7 **through a cooperative arrangement authorized by this section, shall be**
8 **deposited in the Financial Literacy and Economic Empowerment Trust**
9 **Fund established pursuant to 32 V.S.A. § 111 and shall be available to the**
10 **Office of the State Treasurer to defray costs associated with administering**
11 **the Program.**

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

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

1 ~~and~~ the amount of savings on prescription drug costs achieved, ~~and the balance~~
2 ~~in 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 (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 amounts
20 paid by or on behalf of a covered individual pursuant to subdivision (i) of this
21 subdivision (F) for a covered individual who purchases a prescription drug

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

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

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

14 (F).

15 * * *

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

17 § 3612. PROHIBITED PRACTICES

18 * * *

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

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

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

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

11 (2)(A) A pharmacy benefit manager shall attribute any amount paid by
12 or on behalf of a covered person ~~under subdivision (1) of this subsection (e),~~
13 including any third-party payment, financial assistance, discount, discount
14 card, coupon, or any other reduction in out-of-pocket expenses made by or on
15 behalf of a covered person for prescription drugs, regardless of whether the
16 person purchased the drug with or without using coverage for the drug under
17 any health benefit plan, toward:

18 (i) the out-of-pocket limits for prescription drug costs under 8
19 V.S.A. § 4092;

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

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 person’s health benefit plan.

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

8 (i) for which there is no generic drug or interchangeable biological
9 product, as those terms are defined in section 4601 of this title; or

10 (ii) for which there is a generic drug or interchangeable biological
11 product, as those terms are defined in section 4601 of this title, but for which
12 the covered person has obtained access through prior authorization, a step
13 therapy protocol, or the pharmacy benefit manager’s or health benefit plan’s
14 exceptions and appeals process.

15 (C) The provisions of subdivision (A) of this subdivision (2) 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 (D) In order to facilitate the appropriate attribution of amounts paid
20 by or on behalf of a covered person pursuant to subdivision (A) of this
21 subdivision (2) for a covered person who purchases a prescription drug without

1 using the prescription drug coverage available for the drug under the covered
2 person’s health benefit plan, the pharmacy benefit manager shall:

3 (i) make readily available on its website a downloadable proof of
4 payment form for a covered person to use to submit proof of the actual amount
5 that the covered person paid for the drug; and

6 (ii) provide notice to all covered person at least annually that they
7 are responsible for providing proof of payment using a downloadable proof of
8 payment form or another mechanism, if the pharmacy benefit manager elects
9 to make another mechanism available for submitting proof of payment in
10 addition to the downloadable form, in order to have their spending properly
11 attributed to their out-of-pocket limits, deductible, and out-of-pocket
12 maximums as set forth in subdivision (A) of this subdivision (2).

13 * * *

14 **Sec. 3a. 32 V.S.A. § 111 is amended to read: (NEW)**

15 § 111. FINANCIAL LITERACY AND ECONOMIC EMPOWERMENT

16 TRUST FUND

17 (a) There is hereby established ~~and created~~ a special fund entitled the
18 Financial Literacy and Economic Empowerment Trust Fund to be administered
19 by the State Treasurer. The ~~purpose~~ purposes of the Fund ~~is~~ are:

1 (1) to promote the adoption of fiscally sound money management
2 practices by Vermonters through education and outreach efforts that raise
3 awareness of the need for and benefits of practicing such skills ~~and;~~

4 (2) to create opportunities to build and encourage the development of
5 new financial literacy activities and educational products for ~~Vermont citizens~~
6 Vermonters; and

7 (3) to support other economic empowerment opportunities for
8 Vermonters.

9 (b) The Fund may receive State ~~appropriations~~ transfers, gifts, grants,
10 federal funds, and any other funds, both public and private, consistent with this
11 section. ~~The Funds~~ Monies in the Fund may be expended in accordance with
12 the trust fund provisions of section 462 of this title for such financial literacy
13 projects as the Treasurer may direct and to defray costs associated with
14 administering the Vermont Prescription Drug Discount Program established
15 pursuant to 18 V.S.A. chapter 91, subchapter 7, in accordance with the trust
16 fund provisions of section 462 of this title.

17 (c) The Treasurer may invest monies in the Fund in accordance with the
18 provisions of section 434 of this title. All balances in the Fund at the end of the
19 fiscal year shall be carried forward and shall not revert to the General Fund.
20 Interest earned shall remain in the Fund. The Treasurer's annual financial

1 report to the Governor and the General Assembly shall contain an accounting
2 of receipts, disbursements, and earnings of the Fund.

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

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

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

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

19 Sec. 6. EFFECTIVE DATE

20 This act shall take effect on July 1, 2026.