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S.57

Introduced by Senators Sirotkin, Ashe, Lyons, Mullin, and Pearson

Referred to Committee on

Date:

Subject: Health; health insurance; pharmacy benefit managers; prescription
drugs; Department of Financial Regulation

Statement of purpose of bill as introduced: This bill proposes to require
pharmacy benefit managers to provide explanations of benefits for prescription
drug claims. It would also direct the Department of Financial Regulation to
amend its rules to require Exchange plans to post online the range of actual
coinsurance amounts for each prescription drug on their plan formularies based
on the lowest and highest prices currently available at pharmacies located in
Vermont.

An act relating to increase consumer awareness of prescription drug prices

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

Sec. 1. 18 V.S.A. § 9475 is added to read:

§ 9475. EXPLANATION OF BENEFITS FOR PHARMACY CLAIMS

(a) A pharmacy benefit manager shall mail an explanation of benefits to the
beneficiary for each pharmacy claim for a prescription drug covered or

1 managed by the prescription benefit manager. The explanation of benefits
2 shall include:

3 (1) the cost of the prescription drug being charged to the health plan;

4 (2) the co-payment amount paid by the beneficiary;

5 (3) fees and other charges deducted from the cost of the drug;

6 (4) the amount retained by the pharmacy benefit manager; and

7 (5) the final payment to the pharmacy.

8 (b) A pharmacy benefit manager shall not prohibit or otherwise limit a
9 pharmacist from disclosing to a beneficiary or a beneficiary's representative
10 the pharmacy's acquisition cost for a prescription drug or the amount the
11 pharmacy was reimbursed for the drug.

12 Sec. 2. 2016 Acts and Resolves No. 165, Sec. 3 is amended to read:

13 Sec. 3. PRESCRIPTION DRUG FORMULARIES; RULEMAKING

14 On or before January 1, 2017, the Commissioner of Financial Regulation
15 shall adopt rules pursuant to 3 V.S.A. chapter 25 to require all health insurers
16 that offer health benefit plans to Vermont residents through the Vermont
17 Health Benefit Exchange to provide information to enrollees, potential
18 enrollees, and health care providers about the Exchange plans' prescription
19 drug formularies. The rules shall ensure that:

20 (1) the formulary is posted online in a standard format established by the
21 Department of Financial Regulation;

- 1 (2) ~~that~~ the formulary is updated frequently and is searchable by
2 enrollees, potential enrollees, and health care providers; ~~and~~
3 (3) ~~that it includes~~ the health insurer provides online information about
4 the prescription drugs covered, applicable cost-sharing amounts, drug tiers,
5 prior authorization, step therapy, and utilization management requirement; and
6 (4) the health insurer provides the range of actual coinsurance amounts
7 for each drug on the formulary based on the lowest and highest prices available
8 at pharmacies located in Vermont, to be updated at least weekly.

9 Sec. 3. EFFECTIVE DATES

- 10 (a) Sec. 1 shall take effect on July 1, 2017.
11 (b) Sec. 2 and this section shall take effect on passage, and the Department
12 of Financial Regulation shall amend its rules as soon as reasonably possible to
13 ensure that the requirement to post coinsurance information for prescription
14 drugs online will be in effect on or before January 1, 2018.