



2015-2016 State Legislation to Require Prescription Drug Cost and Price Transparency

Legislation and status as of Nov. 22, 2016

Compiled by Richard Cauchi, NCSL Health Program, Denver

During 2015-2016 state legislative sessions, **bills to require prescription drug cost and price transparency** are using at least three distinct approaches. This report provides descriptions in three sections:

1. **Prescription drug manufacturer** transparency requirements were filed in at least 16 states—**California, Colorado, Louisiana, Massachusetts, Minnesota, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Texas, Vermont** (signed into law 6/3/2016), **Virginia, Washington and West Virginia**. Provisions often include an annual report by manufacturers on higher-cost products (such as \$10-50k or more annually). Also see **New Jersey** law signed 11/21/2016 for public employee price setting by bids.
2. **Health Insurer** requirements to provide product price and access transparency were enacted and signed into law in at least three states: **Arkansas, South Dakota and Texas**. **In addition**, bills were filed or pending in **Connecticut, Massachusetts, Minnesota, Vermont and Washington**.
3. **Pharmacy Benefit Manager (PBMs)** transparency requirements were also filed in at least **12 states: Delaware, Illinois, Kansas, Maine, Massachusetts, Missouri, Nebraska, Minnesota, New Jersey, Pennsylvania, Puerto Rico and Rhode Island**. The 2016 bills in **Delaware, Maine and Missouri** have been signed into law.

Note on Bill Status: A few bills still are pending in 2016. The measures listed are based on full-text searches of 50-state bills; these should be treated as extensive examples but not necessarily a final count of states. As usual, bills are filed, amended and/ or withdrawn on a regular basis. For latest steps, use the NCSL Database, described below.

cost of drugs and of the introduction to market of a prescription drug that has a wholesale acquisition cost of \$10,000 or more annually or per course of treatment, and report specified information regarding the drug price. Requires health insurers that file rate information to report the 25 most frequently prescribed drugs and the average wholesale price for each drug and the 25 most costly drugs by total plan or insurer spending and the average wholesale price for each drug. Relates to submission of rate increases for all large group benefit plans. Failure to comply in 30 days may result in a civil penalty of \$1,000 per day.

History:

02/11/2016 - INTRODUCED.

04/13/2016 - From Senate Committee on Health: Do pass to Committee on Appropriations.

06/01/2016 - In Senate. Read third time. Passed SENATE. *****To Assembly.

06/13/2016 - To Assembly Committee on Health.

08/24/2016 In ASSEMBLY. From 3rd reading. To Inactive File

[CA A 2436](#)

2016

Health Care Coverage: Disclosures: Drug Pricing

Status: Failed - Adjourned

Date of Last Action: 5/31/2016

Author: Hernandez R (D)

Summary: Requires a health care service plan contract or a policy of health insurance that provides coverage for prescription drug benefits to notify the enrollee or insured of information related to the cost of a prescription drug at the time that the drug is purchased or delivered. Requires the Department of Managed Health Care to adopt regulations relating to these requirements.

History:

02/19/2016 - INTRODUCED.

04/19/2016 - From Assembly Committee on Health: Do pass as amended to Committee on Appropriations.

05/18/2016 - From Assembly Committee on Appropriations: Do pass.

05/31/2016 In ASSEMBLY. Read third time. Failed to pass ASSEMBLY. (25-38)

The California Drug Price Relief Initiative ([#15-0009](#))* was on the California ballot as an initiated state statute on Nov. 8, 2016. This initiative was designed to restrict the amount that any state agency could pay for drugs, tying it to the price paid by the U.S. Department of Veterans Affairs, an organization that falls under certain state laws regarding drug price negotiations. The measure would apply in any case in which the state ultimately provides funding for the purchase of drugs, even if the drugs are not purchased directly by a government agency. A "yes" vote would have regulated drug prices by requiring state agencies to pay the same prices as the U.S. Department of Veterans Affairs pays for prescription drugs. The "no" vote prevailed and rejected the initiative.

See: [LAO Analysis](#) by the California Legislative Analyst's Office.

*Source: California office of the Attorney General, April 2015

COLORADO

[CO H 1102](#)

2016

Drug Production Costs Transparency Requirements

Status: Failed - Adjourned - Postponed Indefinitely

Date of Last Action: 1/19/2016

Author: Ginal (D) **Additional Authors:** Kefalas (D);Salazar (D);Ginal (D);Buckner (D);Aguilar (D);Lee (D);Newell (D);Vigil (D);Hullinghorst (D);Roberts (R);Lontine (D)

Summary: Requires that drug manufacturers report all research, acquisition, production, marketing and associated costs for certain high-cost prescription drugs (costing \$50,000 annually or for a course of treatment). Manufacturer reports are due August 2016; a summary report must be compiled by the Colorado Commission on Affordable Health Care which "shall post the report publicly on its website" by December 2016; the act expires July 1, 2017.

History:

01/19/2016 - INTRODUCED.

03/10/2016 - From HOUSE Committee on HEALTH, INSURANCE & ENVIRONMENT: Postponed indefinitely; did not pass.

LOUISIANA[**LA H 961**](#)

2016

Prescription Drugs

Status: Pending - House Health and Welfare Committee

Date of Last Action: 4/4/2016

Author: Cromer (R) **Additional Authors:** Cromer (R)

Summary: Requires pharmaceutical manufactures' educational or marketing materials for prescription drugs directed to healthcare providers for use with patients to disclose and include AWP price information. Disclosure or transparency "shall include, at a minimum, all of the following: (1) The date that the educational or marketing materials were prepared. (2) The average wholesale price (AWP) of a thirty-day supply of the drug described in the materials. If the described drug to be used for less than thirty days, the AWP for that period of time. A violation of any provision of this section shall constitute a prohibited practice under the state Unfair Trade Practices and Consumer Protection law, and shall be subject to the enforcement provisions of that chapter.

History:

04/04/2016 - INTRODUCED.

04/05/2016 - To House Committee on Health and Welfare.

MASSACHUSETTS[**MA H 792**](#)

2015

Transparency in the Payer and Provider Claims Database

Status: Pending – inactive study to end of 2016 session

Date of Last Action: 3/11/2015

Author: Benson (D)

Summary: Provides transparency in the data contained in the payer and provider claims database, including Rx cost data.

History:

03/11/2015 - INTRODUCED.

11/17/2015 - In Joint Committee On Financial Services: Heard. Eligible for Executive Session.

04/04/2016 - To Joint Committee on Financial Services.

10/04/2016 From JOINT Committee on FINANCIAL SERVICES: Study Order H 4684.

[**MA S 1048**](#)

2015

Transparency and Cost Control of Pharmaceutical Drug

Author: Montigny (D)

Status: Pending – inactive study to end of 2016 session

Summary: Promotes transparency and cost control of pharmaceutical drug prices. Requires that a state commission "shall develop a list of critical prescription drugs for which there is a substantial public interest in understanding the development of its pricing. In developing the list, the commission shall consider the following factors: (i) the cost of the drug to public health care programs, including the office of Medicaid and the group insurance commission; (ii) the current cost of the drug in the commonwealth; (iii) the extent of utilization of the drug within the Commonwealth; and (iv) potential impact of the cost of the drug on the commonwealth's achievement of the statewide health care cost growth benchmark." If the commission "determines that a prescription drug is significantly high, then the commission may set the maximum allowable price that the manufacturer can charge for that prescription drug that is sold for use" in the state.

History:

04/15/2015 - INTRODUCED.

04/15/2015 - To Joint Committee on Mental Health and Substance Abuse.

05/02/2016 - In Joint Committee on Health Care Financing: Extension Order Filed. Extended until 6/1/2016

06/02/2016 - From Joint Committee on Health Care Financing: Accompanied Study Order s 2307. (Updated 11/7/2016)

MINNESOTA

[MN S 934](#); [MN H 1060](#)

2015

Companion: [MN H 1060](#)

Author: Franzen (DFL)

Title: Health Care Coverage

Disposition: Pending - Carryover

Location: Senate Finance Committee

Summary: Requires cost disclosure and transparency by drug manufacturers for qualifying prescription drugs. "to make information available to the public about the cost of ultra-high-priced pharmaceuticals (\$10,000 or more annually) in order to make pharmaceutical pricing as transparent as the pricing in other sectors of the health care industry." Requires annual cost reporting on the most expensive drugs that would allow policy makers, government agencies, and others to understand costs for these important products.

History:

02/18/2015 INTRODUCED.

03/16/2015 From Senate Committee on Health, Human Services and Housing: Do pass as amended.

03/19/2015 From Senate Committee on Commerce: Do pass as amended.

03/23/2015 From Senate Committee on State And Local Government: Do pass as amended.

03/23/2015 Referred to Senate Committee on Finance.

NEW JERSEY

2016

[S-2749](#) (same as A-4328)

State drug purchase price review

Status: Approved as P.L 2016-Ch. 67

Date of Last Action: 11/22/2016 **New**

Authors: Senate President Steve Sweeney; Senator Linda Greenstein; Assembly Speaker Vincent Prieto

Summary: State drug purchase price review and savings. Authorizes and requires the state to hire a benefits manager (PBM) to employ "reverse auction" services to audit drug spending and "to perform instant price comparisons to monitor actual cost for drugs from brand and generic drug manufacturers. Using an online competitive bidding process leading to a re-pricing of PBM proposals. It is described as to "ensure that the right medicines are being purchased at the right costs." The electronic monitoring of drug costs is calculated to save \$200 million annually and retain employee drug benefits. It will cover state and local government employees, including teachers and other educators, in the State Health Benefits Plan and the School Employees Health Benefits Plan. State budget savings that will result from the awarding of the contracts specified in this bill are to be credited toward the \$250 million of savings to the State in health care costs for public employees" as authorized in the FY 2017 NJ appropriations act.

History:

11/3/2016 Introduced in the Senate, Reported from Senate Budget and Appropriations Committee, 2nd Reading

11/14/2016 **Passed by the Senate (34-0)**

11/21/2016 Substituted for A4328

11/21/2016 **Passed Assembly (Passed Both Houses) (71-0-0)**

11/21/2016 **Approved P.L.2016, c.67.**

[NJ A 762](#)

2016

Prescription Drug Review Commission

Status: Pending - Assembly Health and Senior Services Committee

Date of Last Action: 1/27/2016

Author: Moriarty (D)

Summary: Establishes Prescription Drug Review Commission, requires transparency by manufacturers, including production costs to be reported for certain high-cost prescription drugs.

History:

01/27/2016 - INTRODUCED.

01/27/2016 - To ASSEMBLY Committee on Health and Senior Services.

NEW YORK

[NY S 7686](#)

2016

Prescription Drug Cost Transparency

Status: Pending - Senate Health Committee

Date of Last Action: 5/12/2016

Author: Hannon (R)

Summary: Relates to prescription drug cost transparency. Requires manufacturers of a brand and generic medication that is made available in New York state to file a report annually on pharmaceutical costs for products with a price of \$1,000 or more for a 30 day supply or an increased prices within a 3-month period of 3 times the CPI (consumer price index) with detailed statistics on each of 15 segments of actual costs including research, clinical trials, production, marketing, direct-to-consumer advertising, prescriber education, beginning in 2017 Resulting "information shall be made publicly available on the department's website."

History:

05/12/2016 – INTRODUCED; To Senate Committee on Health.

[NY S 5338](#)

2015

Pharmaceutical Cost Transparency Act of 2015

Status: Pending - Senate Health Committee

Date of Last Action: 5/13/2015

Author: Diaz Ru (D) **Additional Authors:** Perkins (D)

Summary: Enacts the pharmaceutical cost transparency act of 2015 requiring prescription drug manufacturers to file a report disclosing certain financial information pertaining to prescription drugs which have a wholesale acquisition cost of \$10,000 or more annually or per course of treatment.

History:

05/13/2015 - INTRODUCED.

05/13/2015 - To Senate Committee on Health.

01/20/2016 - Amended in Senate Committee on Health.

[NY A 8265](#)

2015

Pharmaceutical Cost Transparency Act of 2015

Status: Pending - Assembly Health Committee

Date of Last Action: 6/16/2015

Author: Blake (D)

Summary: Enacts the pharmaceutical cost transparency act of 2015 requiring prescription drug manufacturers to file a report disclosing certain financial information pertaining to prescription drugs which have a wholesale acquisition cost of \$10,000 or more annually or per course of treatment.

History:

06/16/2015 - INTRODUCED.

06/16/2015 - To Assembly Committee on Health.

NORTH CAROLINA

[NC H 839](#)

2015

Pharmaceutical Drugs Cost Reporting

Status: Pending – House Health Committee

Date of Last Action: 4/15/2015

Author: Collins **Additional Authors:** Saine ;Bell J ;Hanes (D)

Summary: Requires manufacturers of pharmaceutical drugs to report cost and utilization information. For seven specified categories of drugs (including cancer and all biologics) brand manufacturers would report: (1) Total costs derived in the

production of the drug; (2) Average wholesale cost including increases by month over a 5-year period; (3) Total research and development costs paid by the manufacturer; (4) Total administrative costs, marketing and advertising costs for the promotion of the drug, and costs associated with direct-to-consumer coupons and amount redeemed; (5) Total profit as represented in total dollars and a percentage of total company profit derived from the sale of the drug; and (6) Total amount of financial assistance the manufacturer has provided through patient prescription assistance programs.

History:

04/15/2015 – INTRODUCED.

04/15/2015 – To House Committee on Health.

OREGON

[OR H 3486](#)

2015

Manufacturer of Prescription Drug

Status: Failed – Died

Date of Last Action: 3/11/2015

Author: Keny-Guyer (D)

Summary: Price and cost transparency: Requires manufacturer of prescription drug with annual wholesale acquisition cost of \$10,000 or more, or with wholesale acquisition cost of \$10,000 or more per course of treatment, to file annual report with Oregon Health Authority on costs associated with prescription drug for previous calendar year.

History:

03/11/2015 INTRODUCED; To House Committee on Health Care.

03/18/2015 Public Hearing held.

07/06/2015 In committee upon adjournment. *(No carry-over)*

PENNSYLVANIA

[PA H 2029](#)

2016

Prescription Drug Program

Status: Pending - House Health Committee

Date of Last Action: 5/2/2016

Author: Gainey (D)

Summary: Establishes the new Prescription Drug Program within the department of Human Services. "The purposes of the program shall be to: (1) Purchase prescription drugs or reimburse pharmacies for prescription drugs in order to receive discounted prices and rebates. (2) Make prescription drugs available at the lowest possible cost to participants in the program. (3) Maximize the purchasing power of prescription drug consumers in this Commonwealth in order to negotiate the lowest possible prices for the consumers." The department shall automatically enroll all consumers receiving pharmaceuticals through another department or an agency or entity of the Commonwealth into the program.

History:

05/02/2016 – Filed; Introduced; To House Committee on Health.

[PA H 1042](#)

2015

The Insurance Company Law of 1921

Status: Pending - House Insurance Committee

Author: DeLuca (D) **Additional Authors:** Cohen (D);McNeill (D);Grove (R);Costa D (D);Moul (R);Mahoney (D);Harkins (D);Cox (R);Pickett (R);Thomas (D);Hennessey (R);Acosta (D)

Summary: Cost and price transparency: Amends the state insurance act; provides for pharmaceutical cost transparency. Establishes that for any "prescription drug with an average wholesale price of \$5,000 or more annually or per course of treatment, a health insurance policy or government program providing benefits for prescriptions shall not be required to provide the benefits if the manufacturer of the prescription drug has not filed a report on the drug" that details the costs of production, research and development, clinical trials and regulatory requirements, marketing and other expenses.

History:

04/20/2015 - FILED.

04/21/2015 – Introduced; To House Committee on Insurance.

RHODE ISLAND[RI H 7839; RI S 2560](#)

Author: Fellela (D) , Coyne (D)
Title: Critical Prescription Drug List
Introduced: 03/03/2016
Disposition: Pending; Did not pass as of 11/4/2016
Location: House Corporations Committee
Summary: Cost transparency for high-cost pharmaceuticals: Would require the Executive Office of Health and Human Services ("EOHHS") to create a critical prescription drug list where there is a substantial public interest in understanding the development of its pricing. If a prescription drug is placed on the critical prescription drug list, the manufacture of such prescription drug must report certain information to EOHHS. This act would take effect on January 1, 2017.
Status: 04/26/2016 In HOUSE Committee on CORPORATIONS: Committee recommends measure to be held for further study.

TEXAS[TX H 4002](#)

2015

International Pharmaceuticals Price Discrimination**Status:** Failed - Adjourned - House International Trade and Intergovernmental Affairs Committee**Author:** Burrows (R)**Summary:** Price and cost transparency: provides for an interim study regarding international price discrimination in pharmaceuticals. "The joint interim committee on pharmaceutical pricing is established to study and review the impacts of international pharmaceutical price discrimination on the people of Texas as well as on the state government.

(b) The study must consider:

- (1) The reasoning behind pharmaceutical companies pricing on the international market.
- (2) Any changes in the cost of pharmaceuticals under the Affordable Care Act.
- (3) The amount to which the American public subsidizes the international pharmaceutical market, research and development, and other costs.
- (4) The impacts of price discrimination on: (A) individual citizens of this state; and (B) the budget of this state."

History:

03/13/2015 - INTRODUCED.

03/24/2015 - To House Committee on International Trade and Intergovernmental Affairs.

04/27/2015 - Considered in public hearing; Committee substitute considered; Left pending in committee.

VERMONT[VT S 216](#)

2016

Prescription Drugs**Status:** Enacted - Signed by Governor**Date of Last Action:** 6/3/2016**Author:** Mullin (R)**Summary:** Provides for pharmaceutical cost transparency, requiring the state to do an annual identification of up to 15 state purchased prescription drugs "on which the state spends significant health care dollars and for which the wholesale acquisition cost has increased by 50 percent or more over the past five years or by 15 percent or more over the past 12 months, creating a substantial public interest in understanding the development of the drugs' pricing." The state attorney general "shall require the drug's manufacturer to provide a justification for the increase in the wholesale acquisition cost of the drug" in an understandable and appropriate format. Requires that rules be adopted requiring certain insurers to

provide information about the State Health Benefit Exchange plan's drug formularies, provides further for drug dispensing fees, reimbursement, a related report and out-of-pocket drug limits. *(Updated 6/22/2016)*

History:

01/05/2016 – INTRODUCED; To Senate Committee on Finance.

03/17/2016 - Passed SENATE.

04/27/2016 - Passed HOUSE.

06/03/2016 - **Signed by GOVERNOR.**

VT H 866;

2016

Prescription Drug Manufacturer Cost Transparency

Status: Pending - House Health Care Committee

Date of Last Action: 3/11/2016

Author: Health Care Committee,

Summary: Relates to requiring prescription drug manufacturer cost transparency.

History:

03/11/2016 - INTRODUCED.

03/15/2016 - In House. Read first time and placed on calendar.

03/17/2016 - To House Committee on Health Care.

VIRGINIA

VA S 487

2016

Prescription Drug Price Transparency

Status: Failed - Adjourned - Senate Education and Health Committee

Date of Last Action: 1/13/2016

Author: Hanger (R)

Summary: Relates to prescription drug price transparency, requires every manufacturer of a prescription drug that is made available in the Commonwealth and has a wholesale acquisition price of \$10,000 or more for a single course of treatment to report to the commissioner no later than July 1 of each year information related to the cost of developing, manufacturing, and marketing the prescription drug.

History:

01/13/2016 - INTRODUCED.

01/13/2016 - To SENATE Committee on Education and Health.

02/04/2016 - In SENATE Committee on Education and Health: Continued to 2017.

02/04/2016 - Committee substitute printed.

VA H 1113

2016

Prescription Drug Price Transparency

Status: Pending - Carryover - HOUSE

Date of Last Action: 1/13/2016

Author: Hugo (R)

Summary: Relates to prescription drug price transparency, requires every manufacturer of a prescription drug that is made available in the Commonwealth and has a wholesale acquisition price of \$10,000 or more for a single course of treatment to report to the commissioner no later than July 1 of each year information related to the cost of developing, manufacturing, and marketing the prescription drug.

History:

01/13/2016 - INTRODUCED.

01/13/2016 - To HOUSE Committee on Commerce and Labor.

02/11/2016 - In HOUSE Committee on Commerce and Labor: Continued to 2017.

WASHINGTON

[WA H 2363](#)

2016

Pharmaceutical Drug Cost and Utilization Transparency

Status: Failed - Adjourned - House Health Care and Wellness Committee

Date of Last Action: 1/11/2016

Author: Cody (D)

Summary: Concerns pharmaceutical drug cost and utilization transparency.

History:

01/11/2016 - INTRODUCED.

01/11/2016 - To House Committee on Health Care And Wellness.

03/10/2016 - 2016 1st SPECIAL SESSION: By Order of Resolution Reintroduced and retained in present status.

[WA S 6471](#)

2016

Transparency of Prescription Drug Pricing and Costs

Status: Failed - Adjourned - Senate Health Care Committee - updated

Date of Last Action: 1/20/2016

Author: Ranker (D)

Summary: Promotes transparency of prescription drug pricing and costs.

History:

01/20/2016 - INTRODUCED.

01/21/2016 - To Senate Committee on Health Care.

02/02/2016 - Public hearing scheduled.

03/10/2016 - 2016 1st SPECIAL SESSION: By Order of Resolution Reintroduced and retained in present status.

[WA S 6593](#)

Author: [Carlyle \(D\)](#)

Title: Fairness for Taxpayers in Prescription Drug Costs

Introduced: 01/27/2016

Disposition: Failed - Adjourned

Location: Senate Health Care Committee

Summary: Promotes greater fairness for taxpayers in prescription drug costs by pursuing prices that are aligned with or lower than the negotiated prices available to the United States Veterans Administration.

Status: 03/10/2016 2016 1st SPECIAL SESSION: By Order of Resolution - Reintroduced and retained in present status.

WEST VIRGINIA

[WV H 2924](#)

Sponsor: [Perdue \(D\)](#)

Title: Pricing Guides for Pharmaceuticals

Introduced: 01/13/2016

Disposition: Failed - Adjourned

Location: House Health and Human Resources Committee

Summary: Directs the Health Care Authority to establish a council to investigate and recommend to the authority pricing guides for pharmaceuticals that exclude advertising costs.

Status: 01/13/2016 INTRODUCED.

01/13/2016 [To HOUSE Committee on HEALTH AND HUMAN RESOURCES.](#)

Section 2: Health Insurers Required to Provide Pharmaceutical Transparency

ARKANSAS

[AR S 318](#)

2015

Prior Authorization Transparency Act

Status: Enacted - Act No. 1106

Date of Last Action: 04/06/2015 - Enacted

Author: Irvin (R)

Summary: Establishes the Prior Authorization Transparency Act, ensures transparency in use of prior authorizations for medical treatment by health insurers and any utilization review entity or PBM. Requires a goal to "Ensure that prior authorizations do not hinder patient care or intrude on the practice of medicine, and guarantee that prior authorizations include the use of written clinical criteria and reviews by appropriate physicians to secure a fair authorization review process for patients."

History:

02/10/2015 - INTRODUCED.

03/23/2015 - Passed SENATE. *****To HOUSE.

03/30/2015 - Passed HOUSE.

04/06/2015 - Signed by GOVERNOR as Act No. 1106.

CONNECTICUT

[CT H 5517](#)

2016

Cost Sharing for Prescription Drugs

Status: Failed - Died

Date of Last Action: 3/2/2016

Author: Joint Insurance and Real Estate **Additional Authors:** Orange (D);Looney (D);Morin (D)

Summary: Concerns cost-sharing limits for prescription drugs, limits coinsurance, copayments, deductibles or other out-of-pocket expenses imposed on insureds for prescription drugs.

History:

03/02/2016 - INTRODUCED.

03/02/2016 - To Joint Committee on Insurance and Real Estate.

03/04/2016 - Public Hearing Scheduled.

03/17/2016 - Failed Joint Favorable deadline.

MASSACHUSETTS

[MA S 519](#)

2016

Transparency of Health Plan Formularies

Status: Pending - Carryover - Joint Committee on Financial Services

Date of Last Action: 4/15/2015

Author: L'Italien (D)

Summary: Relates to ensuring transparency of health plan formularies.

History:

04/15/2015 – INTRODUCED; To Joint Committee on Financial Services.

11/10/2015 - Hearing scheduled for: 11/17/2015.

11/17/2015 - In Joint Committee on Financial Services: Heard. Eligible for Executive Session.

[MA S 541](#)

2016

Out of Pocket Expenses for Prescription Drug Coverage

Status: Pending - Senate Study Order

Date of Last Action: 4/15/2015

Author: Petruccelli (D)

Summary: No health insurance policy in this state that provides coverage for prescription drugs may: Impose any cost-sharing that exceeds \$100 per 30-day supply for a covered prescription drug, or place all drugs in a given class on the highest cost-sharing tier in a tiered formulary. The provisions of this section shall apply pre-deductible. The provisions shall apply to a high deductible health plan after the minimum deductible amounts required for such plans per IRS, are met. "A health plan that provides coverage for prescription drugs shall allow enrollees to request an exception to the formulary. Under such an exception, a non-formulary drug could be deemed covered under the formulary if the prescribing physician determines that the formulary drug for treatment of the same condition either would not be as effective for the individual or would have adverse effects for the individual, or both."

History:

04/15/2015 - INTRODUCED.

11/17/2015 - In Joint Committee on Financial Services: Heard. Eligible for Executive Session.

06/06/2016 - From Joint Committee on Financial Services: Accompanied Study Order S 2318; did not pass

MINNESOTA**[MN H 1060](#)**

2015

Health Care Coverage

Status: Pending - Carryover - House Health and Human Services Reform Committee

Date of Last Action: 2/19/2015

Author: Albright (R)

Summary: Relates to health care coverage, modifies utilization review and prior authorization requirements for prescription drug coverage, requires prescription drug benefit transparency and disclosure.

History:

02/19/2015 - INTRODUCED.

02/19/2015 - To House Committee on Health and Human Services Reform.

SOUTH DAKOTA**[SD S 118](#)**

2015

Additional Transparency for Prescription Drug Plans

Status: Enacted - Act No. 251

Date of Last Action: 03/11/2015 - Enacted

Author: Rampelberg (R)

Summary: Provides additional transparency by health insurers for prescription drug plans; requires plan information to enrollees regarding prescription drugs and drugs administered in a physician office or clinic, an online list of providers and facilities, drug formularies and a description of an easily accessible method to obtain a prior authorization or step edit requirement for each specific drug included on the formulary, excludes plans that are not actively marketed by a carrier.

History:

02/09/2015 - Passed SENATE. *****To House.

03/03/2015 - Passed HOUSE.

03/11/2015 - **Signed by GOVERNOR;** 6/19/2015 - Session Law. Chapter No. 251

VERMONT

[VT S 216](#)

2016

Prescription Drugs

Status: Enacted - Signed by Governor

Date of Last Action: 6/3/2016

Author: Mullin (R)

Summary: Provides for pharmaceutical cost transparency.

Insurer sections: Also requires that rules be adopted requiring insurers to provide information about the State Health Benefit Exchange plan's drug formularies, Requires that the formulary is posted online in a standard format, updated frequently and is searchable by enrollees, potential enrollees, and health care providers, with information about the prescription drugs covered, applicable cost-sharing amounts, drug tiers, prior authorization, step therapy, and utilization management requirements. Provides further for drug dispensing fees, reimbursement and consumer annual out-of-pocket drug limits.

History:

12/15/2015 - PREFILED.

01/05/2016 – INTRODUCED; To SENATE Committee on FINANCE.

03/17/2016 - Passed SENATE. *****To HOUSE.

04/27/2016 - Passed HOUSE. *****To SENATE for concurrence.

06/03/2016 - Signed by GOVERNOR.

WASHINGTON

[WA S 6320](#)

2016

Prescription Drugs and Capping Consumer Costs

Status: Failed - Adjourned - Senate Health Care Committee

Date of Last Action: 1/13/2016

Author: Habib (D)

Associated Bills: WA H 2602 - Companion

Summary: It is the intent of the legislature to minimize consumers' exposure to high cost sharing for prescription drugs by instituting a cap on individual prescription costs. Provides that each health plan offered shall provide a maximum cost sharing for a covered outpatient prescription drug. The copayment, coinsurance, or other cost sharing for an individual prescription for a supply up to 30 days shall not exceed \$100. For a nongrandfathered individual or small group health plan, the annual deductible for outpatient drugs, if any, shall not exceed \$500.

History:

01/13/2016 - INTRODUCED.

01/14/2016 - To Senate Committee on Health Care.

03/10/2016 - 2016 1st SPECIAL SESSION: By Order of Resolution - Reintroduced and retained in present status; did not pass.

Section 3: Pharmacy benefits managers required to provide transparency

DELAWARE

[DE H 284](#)

2016

Pharmacy Benefit Managers

Status: Enacted - Act No. 245

Date of Last Action: 05/25/2016 - Enacted

Author: Short B (D) **Additional Authors:** Henry (D);Cloutier (R);Kowalko (D);Short B (D);Baumbach (D);Gray (R) **Summary:** Requires pharmacy benefit managers who employ "maximum allowable cost," or "MAC" pricing for multi-sourced drugs to follow set standards in composing and updating the list, to provide information on MAC and how it is determined to pharmacies in their networks, and to create an appeal process for a participating pharmacy who believes the MAC has been

set in error. This bill encourages more efficient operation of the prescription drug market by setting ground rules and encouraging transparency.

History:

03/10/2016 - INTRODUCED.

05/05/2016 - Passed House. *****To Senate.

05/05/2016 - To Senate Committee on Health and Social Services.

05/19/2016 - Passed Senate.

05/25/2016 - **Signed by GOVERNOR** - Chapter Number 245

ILLINOIS

[IL H 4079](#); [IL S 2515](#); [IL H 5591](#)

Sponsor: [Cassidy \(D\)](#), [Munoz \(D\)](#), [Lang \(D\)](#)

Title: Insurance Code

Introduced: 02/16/2016

Disposition: Pending

Location: Senate Committee on Assignments Committee

Summary: Amends the Insurance Code; provides a process to register with the Department of Insurance as a pharmacy benefits manager and what information must be included; provides that the Director of Insurance may revoke, suspend, deny, or restrict a certificate of registration for violation of the Code or on other grounds as determined necessary or appropriate by the Director.

Status: 07/31/2016 [Rule 3-9\(b\) / Re-referred to ASSIGNMENTS Committee.](#)

KANSAS

[KS H 2026](#)

Pharmacy Benefits Managers

Author: House Federal and State Affairs Committee

Introduced: 01/15/2015

Disposition: Pending

Location: House Insurance and Financial Institutions Committee

Summary: Relates to establishing requirements and fiduciary duties for pharmacy benefits managers (PBMs) under the state health care benefits program. Would require "each pharmacy benefits manager shall discharge its duties with respect to the covered entity for the primary purpose of providing benefits to covered individuals and defraying the reasonable expenses of administrating the health plan."... "The pharmacy benefits manager may request to substitute a drug costing more than the prescribed drug. The pharmacy benefits manager shall disclose to the covered entity the cost of both drugs and any benefit or payment directly or indirectly accruing to the pharmacy benefits manager as a result of the substitution. The substitution must be made for medical reasons that benefit" the patient.

History: 01/15/2015 INTRODUCED.

01/15/2015 To House Committee on Insurance.

01/11/2016 To House Committee on Insurance and Financial Institutions.

MAINE

[ME H 788](#)

2016

Maximum Allowable Cost Pricing Lists

Status: Enacted - Act No. 450

Date of Last Action: 04/11/2016 - Enacted

Author: Brooks (D) **Additional Authors:** Nutting R (R);Rotundo (D);Morrison (D);Beavers (D);Picchiotti (R);Katz (R);Whittemore (R);Beck (D);Prescott D (R)

Summary: Establishes requirements for maximum allowable cost (MAC) pricing lists used by pharmacy benefits managers and requires pharmacy benefits managers (PBMs) to make disclosures regarding that pricing and the methods used to establish that pricing to plan sponsors. It establishes an appeal process for pharmacies for disputes relating to maximum allowable cost pricing. The bill also provides for financial penalties for violations.

History:

04/04/2016 - INTRODUCED.

04/08/2016 - In SENATE. Passed to be enacted in concurrence.

04/08/2016 - Eligible for Governor's desk.

04/11/2016 - **Signed by GOVERNOR.**

04/11/2016 - **Public Law No. 450**

MASSACHUSETTS

[MA S 1219](#)

2016

Title: Disclosure of Financial Incentives

Disposition: Pending

Location: Senate Study Order

Author: Spilka (D)

Summary: Requires disclosure of financial incentives to prescribe or dispense certain drugs. If any "person or entity, including, without limitation, a carrier or third party administrator, including a pharmacy benefits manager, provides or offers to provide any financial inducement or reward" to a practitioner or to a pharmacist who switches to a therapeutically equivalent drug in place of a drug prescribed by the practitioner, the prescriber shall disclose that fact to the patient.

Status: 04/15/2015 INTRODUCED.

12/03/2015 In Joint Committee on Public Health: Heard. Eligible for Executive Session.

03/28/2016 From Joint Committee on Public Health: Accompanied Study Order S 2199.

MISSOURI

[MO S 608](#)

2016

Healthnet and Health Care: pharmacy benefit managers (PBMs)

Status: Enacted; effective 10/14/2016

Date of Last Action: 5/13/2016

Author: Sater ® **Additional Authors:** Sater ®

Summary: Modifies provisions relative the Health Care Cost Reduction and Transparency Act, MO HealthNet (Medicaid) co-payments or reimbursement, medication synchronization. Requires **pharmacy benefit managers (PBMs)** to have cost transparency and expedited appeals. If an "appeal is successful, the pharmacy benefits manager shall: (1) Adjust the maximum allowable cost price that is the subject of the appeal effective on the day after the date the appeal is decided; (2) Apply the adjusted maximum allowable cost price to all similarly situated pharmacies as determined by the pharmacy benefits manager; and (3) Allow the pharmacy that succeeded in the appeal to reverse and rebill the pharmacy benefits claim giving rise to the appeal. Appeals shall be upheld if: (1) The pharmacy being reimbursed for the drug subject to the maximum allowable cost pricing in question was not reimbursed as required under subsection 3 of this section; or (2) The drug subject to the maximum allowable cost pricing in question does not meet the requirements" in this bill.

History:

01/06/2016 – INTRODUCED.

04/27/2016 – Passed House. *****To Senate for concurrence.

05/11/2016 - *****To Second Conference Committee.

05/13/2016 – Truly Agreed To and Finally Passed.

05/25/2016 *****To GOVERNOR.

07/05/2016 Vetoed by GOVERNOR. [[Governor's Message](#)]

09/14/2016 GOVERNOR'S veto overridden by SENATE. (24-7)

09/14/2016 **GOVERNOR'S veto overridden** by HOUSE. (110-45)

NEBRASKA

[NE L 1060](#)

Title: Pharmacy Benefit Fairness And Transparency Act

Introduced: 01/20/2016

Status: Pending - Banking, Commerce and Insurance Committee

Author: Fox (NP)

Summary: Adopts the Pharmacy Benefit Fairness and Transparency Act, provides duties for the Director of Insurance. "A pharmacy benefit manager shall mail an explanation of benefits to the patient for each patient's pharmacy claim for a prescription drug covered or managed by the pharmacy benefit manager. The explanation of benefits shall include the cost of the prescription drug being charged to the covered entity, the pharmacy benefit manager's payment, the copayment paid by the patient, the fees and other charges deducted from the cost of the drug, and the final payment to the pharmacy. The pharmacy benefit manager shall not prohibit the pharmacist from disclosing the cost of the drug or what the pharmacy was reimbursed to a patient or patient's caregiver."

History:

01/22/2016 - To Legislative Committee on Banking, Commerce, and Insurance.

01/22/2016 - Notice of hearing for 02/09/2016

NEW JERSEY

[NJ S 523 & NJ A 4279](#) – (Identical)

2015

Pharmacy Benefits Management Company Regulation

Status: Pending - Carryover - Senate Commerce Committee

Date of Last Action: 1/14/2014

Author: Gill (D) **Additional Authors:** Weinberg (D); Turner (D)

Summary: Would regulate pharmacy benefits management (PBMs) companies

History:

01/14/2014 - INTRODUCED.

01/14/2014 - To Senate Committee on Commerce.

Also see: [NJ S-2749](#) (same as [A-4328](#)) for State drug purchase price review and savings

11/21/2016 **Approved P.L.2016, c.67. *NEW***

PENNSYLVANIA

[PA H 947](#)

Title: Registration of Pharmacy Benefits Managers

Introduced: 08/18/2015

Disposition: Pending

Committee: Senate Consumer Protection and Professional Licensure Committee

Author: Fabrizio (D)

Summary: Provides for registration of pharmacy benefits managers and "maximum allowable cost transparency." Creates a new drug price category, "Multiple Source Generic List" and reimbursement; requires certain price updates on a weekly basis.

History: 08/17/2015 FILED.

10/19/2015 From HOUSE Committee on HEALTH. Reported as amended. (27-0)

07/01/2016 In HOUSE. Read third time. Passed HOUSE. *****To SENATE. (198-0)

(updated 11/7/2016)

PUERTO RICO

PR H 2558

Title: Pharmacy Benefit Manager Transparency
Introduced: 07/06/2015
Disposition: Pending
Location: House Health Committee
Author: Aponte Hernandez (PNP)
Summary: Creates the Trade Practices Act to provide transparency within Pharmacy Benefit Managers.
History: 07/06/2015 INTRODUCED.
08/18/2015 To House Committee on Health.

RHODE ISLAND

[RI S 2467](#)

2016

Prescription Drug Benefits

Status: To Governor - To Governor

Date of Last Action: 6/21/2016

Author: Walaska (D) **Additional Authors:** Cote (D);McCaffrey (D);Ciccione (D)

Topics: Pharmaceutical Pricing and Payment, Rx Coverage in Insurance

Summary: Regulates business relationships among pharmacy services providers, group health insurers, and health service organizations by providing department of health oversight. Pharmacy benefit manager (PBM) are required to disclose prices with respect to multi-source generic pricing and provide updates on prices to pharmacies every 10 days. This act takes effect on Sept. 30, 2016.

History:

02/11/2016 - INTRODUCED.

06/16/2016 - Passed House. *****To Senate for concurrence.

06/17/2016 - Senate concurred in House substitute.

06/21/2016 - *****To GOVERNOR.

06/29/2016 **Became law without GOVERNOR'S signature - Public Law No. 2016-166**

WEST VIRGINIA

[WV S 322](#); [WV S 694](#)

Sponsors: [Ferns \(R\)](#); [Gaunch \(R\)](#)

Title: Pharmacy Benefits Managers

Introduced: 01/19/2016

Disposition: Failed - Adjourned

Location: Senate Health and Human Resources Committee

Summary: Regulates pharmacy benefits managers; define terms; provides that pharmacy benefits managers conducting audits for public health programs are not exempt from pharmacy audit restrictions; provides internal review process applicable to disputed findings of pharmacy benefits manager upon audit; provides notice to purchasers, pharmacists and pharmacies of information relating to maximum allowable costs; establishes a process relating to the appropriate use of maximum allowable cost pricing.

Status: 01/19/2016 INTRODUCED.

01/19/2016 [To SENATE Committee on HEALTH AND HUMAN RESOURCES.](#)



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