

THE FLORIDA SENATE
2018 SUMMARY OF LEGISLATION PASSED
Committee on Health Policy

CS/CS/HB 351 — Prescription Drug Pricing Transparency

by Health and Human Services Committee; Health Innovation Subcommittee; and Rep. Santiago and others (CS/CS/CS/SB 1494 by Appropriations Committee; Banking and Insurance Committee; Health Policy Committee; and Senators Montford, Grimsley, Powell, Broxson, and Gainer)

The bill requires a pharmacist, or his or her employee, to inform customers of a less expensive generically equivalent prescription drug and if the customer's cost sharing obligation exceeds the retail price of the drug in the absence of prescription drug coverage.

Effective January 1, 2019, the bill requires pharmacy benefit managers (PBMs) to register with the Office of Insurance Regulation (OIR). The bill defines a PBM as a person or entity doing business in this state which contracts to administer prescription drug benefits on behalf of a health insurer or a health maintenance organization to residents of this state. The registration process requires a nonrefundable fee not to exceed \$500, submission of a copy of certain corporate documents, and a completed registration form. Registration and registration renewal certificates are valid for two years and are nontransferable. Registrants must report any change in the registration information within 60 days of the change to the OIR. Total fees may not exceed the cost of administering the program. The Financial Services Commission is authorized to adopt rules to implement these requirements.

The bill repeals s. 465.1862, F.S., relating to pharmacy benefit manager contracts under the Florida Pharmacy Act and moves these provisions to the insurance code under the jurisdiction of the OIR. The bill also defines maximum allowable costs (MAC) and requires contracts between health insurers or health maintenance organizations (HMOs) and PBMs to require the PBM to:

- Update MAC pricing at least every seven calendar days;
- Maintain a process that will eliminate drugs from the MAC lists or modify drug prices in a timely manner to remain consistent with changes in pricing data; and
- Prohibit the PBM from limiting a pharmacist's ability to disclose whether the cost-sharing obligation exceeds the retail price for a covered prescription drug, and the availability of a more affordable alternative drug, pursuant to state law.

The contract between a health insurer or HMO and a PBM must also prohibit the PBM from requiring an insured to pay for a prescription drug at the point of sale in an amount that exceeds the lesser of:

- The applicable cost sharing amount; or
- The retail price of the drug in the absence of prescription drug coverage.

The changes to the contracts between the health insurer or HMO and the PBM are applicable to contracts entered into or renewed on or after July 1, 2018.

If approved by the Governor, these provisions take effect July 1, 2018.

Vote: Senate 37-0; House 115-0