

MAINE STATE LEGISLATURE

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Rep A
May

SMG

L.D. 1504

MAJORITY

(Filing No. S- 253)

Date: 6/10/19

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HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
SENATE
129TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 466, L.D. 1504, Bill, "An Act To Protect Consumers from Unfair Practices Related to Pharmacy Benefits Management"

Amend the bill in section 8 in §4347 by striking out all of subsection 3 (page 2, lines 3 to 6 in L.D.) and inserting the following:

'3. Carrier. "Carrier" has the same meaning as in section 4301-A, subsection 3, except that "carrier" does not include a multiple-employer welfare arrangement, as defined in section 6601, subsection 5, if the multiple-employer welfare arrangement contracts with a 3rd-party administrator to manage and administer health benefits, including benefits for prescription drugs. "Carrier" also includes the MaineCare program pursuant to Title 22, chapter 855 and the group health plan provided to state employees and other eligible persons pursuant to Title 5, section 285.'

Amend the bill in section 8 in §4349 in subsection 4 in paragraph A in the first line (page 5, line 18 in L.D.) by striking out the following: "copayment" and inserting the following: 'cost-sharing amount'

Amend the bill in section 8 in §4349 in subsection 4 by striking out all of paragraph C (page 5, lines 22 and 23 in L.D.) and inserting the following:

'C. The total amount the pharmacy will be reimbursed for the prescription drug from the pharmacy benefits manager or carrier, including the cost-sharing amount paid by a covered person.'

Amend the bill in section 8 in §4350-A by striking out all of subsection 1 (page 7, lines 30 to 34 in L.D.) and inserting the following:

'1. Compensation used to reduce point-of-sale costs, improve benefits or lower premiums. All compensation remitted by or on behalf of a pharmaceutical manufacturer, developer or labeler, directly or indirectly, to a carrier, or to a pharmacy benefits manager under contract with a carrier, related to its prescription drug benefits must be:

A. Remitted directly to the covered person at the point of sale to reduce the out-of-pocket cost to the covered person associated with a particular prescription drug; or

COMMITTEE AMENDMENT

1 B. Remitted to, and retained by, the carrier. Compensation remitted to the carrier
2 must be applied by the carrier in its plan design and in future plan years to offset the
3 premium for covered persons.'

4 Amend the bill in section 8 in §4350-B in subsection 2 in the 3rd line (page 8, line 5
5 in L.D.) by inserting after the following: "of interest" the following: ', as described in
6 paragraph A or B.'

7 Amend the bill in section 8 in §4350-B by striking out all of subsection 4 (page 8,
8 lines 16 to 28 in L.D.).

9 Amend the bill in section 8 in §4350-D by inserting after subsection 4 the following:

10 '5. Documentation from pharmacy benefits manager. A pharmacy benefits
11 manager shall provide any necessary documentation requested by a carrier that relates to
12 pharmacy benefits manager compensation in order to comply with the requirements of
13 this section.'

14 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
15 section number to read consecutively.

16 SUMMARY

17 This amendment makes the following changes to the bill.

18 1. It clarifies the provision related to excess payments at the point of sale.

19 2. It requires that all compensation remitted by or on behalf of a pharmaceutical
20 manufacturer, developer or labeler, directly or indirectly, to a carrier or to a pharmacy
21 benefits manager related to its prescription drug benefit must be remitted directly to the
22 covered person at the point of sale or to the carrier to offset premiums for covered
23 persons.

24 3. It removes the provision related to prescription drug formularies used by carriers
25 as it is duplicative of other provisions in current law.

26 4. It clarifies that the definition of "carrier" does not include a multiple-employer
27 welfare arrangement if the multiple-employer welfare arrangement contracts with a 3rd-
28 party administrator to manage and administer health benefits, including benefits for
29 prescription drugs.

FISCAL NOTE REQUIRED
(See Attached)



129th MAINE LEGISLATURE

LD 1504

LR 382(02)

An Act To Protect Consumers from Unfair Practices Related to Pharmacy Benefits Management

Fiscal Note for Bill as Amended by Committee Amendment 'A' (S-253)
Committee: Health Coverage, Insurance and Financial Services

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - General Fund
Minor revenue increase - General Fund
Minor revenue increase - Other Special Revenue Funds

Correctional and Judicial Impact Statements

The additional workload associated with the minimal number of new cases filed in the court system does not require additional funding at this time.

The collection of additional fine revenue will increase General Fund and dedicated revenue by minor amounts.

Fiscal Detail and Notes

Any additional costs to the Department of Health and Human Services from the provisions of this bill are expected to be minor and can be absorbed within existing budgeted resources.