

MAINE STATE LEGISLATURE

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STATE OF MAINE
129TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

**JOINT STANDING COMMITTEE ON HEALTH COVERAGE,
INSURANCE AND FINANCIAL SERVICES**

August 2019

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LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contains summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 129th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. An appendix provides a summary of relevant session statistics.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

CARRIED OVER..... carried over to a subsequent session of the Legislature
CON RES XXX..... chapter # of constitutional resolution passed by both houses
CONF CMTE UNABLE TO AGREE..... Committee of Conference unable to agree; legislation died
DIED BETWEEN HOUSES..... House & Senate disagreed; legislation died
DIED IN CONCURRENCE..... defeated in each house, but on different motions; legislation died
DIED ON ADJOURNMENT..... action incomplete when session ended; legislation died
EMERGENCY..... enacted law takes effect sooner than 90 days after session adjournment
FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE..... emergency failed to receive required 2/3 vote
FAILED, ENACTMENT or FINAL PASSAGE..... failed to receive final majority vote
FAILED, MANDATE ENACTMENT..... legislation proposing local mandate failed required 2/3 vote
HELD BY GOVERNOR..... Governor has not signed; final disposition to be determined at subsequent session
LEAVE TO WITHDRAW..... sponsor's request to withdraw legislation granted
NOT PROPERLY BEFORE THE BODY..... ruled out of order by the presiding officer; legislation died
INDEF PP..... indefinitely postponed; legislation died
ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X... ought-not-to-pass report accepted; legislation died
P&S XXX..... chapter # of enacted private & special law
PUBLIC XXX..... chapter # of enacted public law
RESOLVE XXX..... chapter # of finally passed resolve
VETO SUSTAINED..... Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 129th Legislature is Thursday, September 19, 2019. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

Joint Standing Committee on Health Coverage, Insurance and Financial Services

LD 1472 An Act To Create a Commission To Establish a State Bank

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MIRAMANT D ACKLEY K	ONTP	

This bill establishes the State Bank and Tax Reduction Commission, which is charged with making recommendations and suggesting legislation for a legal and organizational framework for the establishment and oversight of a state-owned bank and tax rate reduction policy.

LD 1499 An Act To Establish the Maine Prescription Drug Affordability Board

PUBLIC 471

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T GIDEON S	OTP-AM ONTP	S-251

This bill creates the Maine Prescription Drug Affordability Board to determine the reasonableness of the costs for certain prescription drug products. The bill requires prescription drug manufacturers to notify the board when the introductory price or proposed price increase for a brand-name or generic drug reaches a specified threshold. The board is directed to review the information submitted by manufacturers to justify the price or increase. The bill requires the board to have a public process for each prescription drug required to be reviewed based on certain criteria. The board is directed to determine if the cost to the health care system of appropriate utilization of a drug is commensurate with its benefit to the system and whether the drug is affordable to state residents. If the board finds that the cost in the State is not affordable to state health care systems and state residents, the board is authorized to establish a cost or payment rate for the drug to which all state programs, local governments, licensed commercial health plans, including state marketplace plans, licensed pharmacies, wholesalers and distributors must abide. These covered entities are prohibited from paying more for the drugs than the board-established rate.

Committee Amendment "A" (S-251)

This amendment is the majority report of the committee. This amendment replaces the bill. The amendment, as in the bill, establishes the Maine Prescription Drug Affordability Board but removes the provisions that allow rate setting by the board and require the board to determine excess prescription drug costs based upon certain thresholds for prescription drug prices and price increases. The amendment instead provides that the board determines prescription drug spending targets for public entities, including for specific prescription drugs, based upon a 10-year rolling average of the medical care services component of the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index medical care services index plus a reasonable percentage for inflation and minus a spending target determined by the board for pharmacy savings and in consideration of information received about the public entity's prescription drug spending and information collected by the Maine Health Data Organization. The board makes recommendations on prescription drug spending targets, including spending targets for specific prescription drugs, with input from representatives of those public entities. The recommendations may include establishing a common prescription drug formulary among public payors, purchasing prescription drugs in bulk or through a single purchasing agreement, collaborating with other states and state prescription drug purchasing consortia to purchase prescription drugs in bulk or to jointly negotiate rebates, allowing health insurance carriers providing coverage to small businesses in the State to participate in a public payor prescription drug benefit for a fee, procuring common pharmacy benefit management services and actuarial services, negotiating specific rebates and removing drugs for which a manufacturer does not negotiate a sufficient rebate from a formulary and other methods determined by the board. The board is required to report its prescription drug spending targets and the

Joint Standing Committee on Health Coverage, Insurance and Financial Services

methods recommended to meet those targets to the Legislature annually.

Enacted Law Summary

Public Law 2019, chapter 471 establishes the Maine Prescription Drug Affordability Board. The law provides that the board determines prescription drug spending targets for public entities, including for specific prescription drugs, based upon a 10-year rolling average of the medical care services component of the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index medical care services index plus a reasonable percentage for inflation and minus a spending target determined by the board for pharmacy savings and in consideration of information received about the public entity's prescription drug spending and information collected by the Maine Health Data Organization. The board makes recommendations on prescription drug spending targets, including spending targets for specific prescription drugs, with input from representatives of those public entities. The recommendations may include establishing a common prescription drug formulary among public payors, purchasing prescription drugs in bulk or through a single purchasing agreement, collaborating with other states and state prescription drug purchasing consortia to purchase prescription drugs in bulk or to jointly negotiate rebates, allowing health insurance carriers providing coverage to small businesses in the State to participate in a public payor prescription drug benefit for a fee, procuring common pharmacy benefit management services and actuarial services, negotiating specific rebates and removing drugs for which a manufacturer does not negotiate a sufficient rebate from a formulary and other methods determined by the board. The board is required to report its prescription drug spending targets and the methods recommended to meet those targets to the Legislature annually.

LD 1504 **An Act To Protect Consumers from Unfair Practices Related to Pharmacy Benefits Management**

PUBLIC 469

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SANBORN H TEPLER D	OTP-AM OTP-AM	S-253

This bill replaces the current registration requirement for pharmacy benefits managers doing business in this State with a licensing requirement beginning January 1, 2020. The bill imposes the following requirements on a carrier that provides prescription drug benefits.

1. It makes a carrier responsible for monitoring all activities carried out by the carrier, or all activities carried out on behalf of the carrier by a pharmacy benefits manager, related to a carrier's prescription drug benefits and for ensuring that all requirements of the law are met.
2. If a carrier contracts with a pharmacy benefits manager to perform any activities related to the carrier's prescription drug benefits, it makes the carrier responsible for ensuring that the pharmacy benefits manager acts as the carrier's agent and owes a fiduciary duty to the carrier.
3. It prohibits a carrier from entering into a contract or agreement or allowing a pharmacy benefits manager or any person acting on the carrier's behalf to enter into a contract or agreement that prohibits a pharmacy provider from providing a consumer with the option of paying the cash price for the purchase of a prescription drug and not filing a claim with the consumer's carrier if the cash price is less than the covered person's cost-sharing amount or providing information to a state or federal agency, law enforcement agency or the Superintendent of Insurance when such information is required by law.
4. It prohibits a carrier or pharmacy benefits manager from requiring a consumer to make an excessive payment at the point of sale for a covered prescription drug.
5. It requires a carrier to provide a reasonably adequate retail pharmacy network and specifies that a mail order