

HOUSE COMMITTEE OF REFERENCE REPORT

\_\_\_\_\_  
Chairman of Committee

March 22, 2018  
Date

Committee on Health, Insurance, & Environment.

After consideration on the merits, the Committee recommends the following:

HB18-1009 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

- 1 Amend printed bill, page 2, line 12, strike "AS" and substitute "WITH".
- 2 Page 2, line 13, strike "DIABETIC" and substitute "DIABETES".
- 3 Page 3, strike lines 7 through 10 and substitute:
  - 4 "(2) "DRUG MANUFACTURER" MEANS A MANUFACTURER OF
  - 5 PRESCRIPTION INSULIN DRUGS THAT ARE MADE AVAILABLE IN COLORADO
  - 6 AND THAT ARE USED FOR THE TREATMENT OF DIABETES."
- 7 Page 3, before line 11 insert:
  - 8
  - 9 "(3) "HEALTH COVERAGE PLAN" HAS THE SAME MEANING AS SET
  - 10 FORTH IN SECTION 10-16-102 (34).
  - 11 (4) "INSURER" HAS THE SAME MEANING AS SET FORTH IN SECTION
  - 12 10-1-102 (13)."
- 13 Renumber succeeding subsections accordingly.
- 14 Page 3, strike lines 24 through 26 and substitute:
  - 15 "(a) A LIST OF PRESCRIPTION INSULIN DRUGS THAT THE STATE
  - 16 BOARD DETERMINES TO BE ESSENTIAL FOR TREATING DIABETES IN THIS
  - 17 STATE AND THAT ARE MADE".

- 1 Page 4, line 25, strike "(1)(b)." and substitute "(1)(a).".
- 2 Page 5, line 3, strike "(1)(b)" and substitute "(1)(a)".
- 3 Page 5, line 8, strike "MARKETING AND ADVERTISING COSTS;" and insert  
4 "EXPENDITURES TO MARKET OR ADVERTIZE THE DRUG TO COLORADO  
5 RESIDENTS;".
- 6 Page 6, line 6, after "REBATES" insert "AND, SEPARATELY, THE  
7 AGGREGATE AMOUNT OF ALL ADMINISTRATIVE FEES".
- 8 Page 6, line 8, strike "STATE; AND" and substitute "STATE, IDENTIFIED BY  
9 YEAR;".
- 10 Page 6, before line 9 insert:
- 11 "(j) THE AGGREGATE AMOUNT OF ALL RESEARCH AND  
12 DEVELOPMENT COSTS ATTRIBUTABLE TO DIABETES PRESCRIPTION DRUGS,  
13 IDENTIFIED BY YEAR; AND".
- 14 Reletter succeeding paragraph accordingly.
- 15 Page 6, line 11, strike "(1)(b)." and substitute "(1)(a).".
- 16 Page 6, line 21, strike "NEGOTIATED WITH" and substitute "RECEIVED  
17 FROM".
- 18 Page 6, line 24, strike "(1)(b);" and substitute "(1)(a);".
- 19 Page 6, line 27, strike "AND".
- 20 Page 7, before line 1 insert:
- 21 "(c) THE TOTAL AMOUNT OF ADMINISTRATIVE FEES RECEIVED  
22 FROM DRUG MANUFACTURERS AND INSURERS FOR PRESCRIPTION DRUGS  
23 LISTED IN SECTION 25-51-104 (1)(a), INCLUDING ALL FEES RECEIVED TO  
24 PROCESS UTILIZATION MANAGEMENT REQUESTS;".
- 25 Reletter succeeding paragraph accordingly.

1 Page 7, line 4, strike "MEDICARE" and substitute "COLORADOMEDICARE".

2 Page 7, line 6, strike "MEDICAID" and substitute "COLORADO MEDICAID".

3 Page 7, line 11, strike "PERSONS" and substitute "COLORADO RESIDENTS".

4 Page 7, line 12, strike "SECTION." and substitute "SECTION;".

5 Page 7, before line 13 insert:

6 "(e) THE TOTAL ANNUAL PAYMENTS, INCLUDING REIMBURSEMENTS  
7 AND FEES, PAID TO COLORADO PHARMACIES FOR DISPENSING  
8 PRESCRIPTION DRUGS ON THE LIST COMPILED IN ACCORDANCE WITH  
9 SECTION 25-51-104 (1)(a). THIS INFORMATION MUST SEPARATELY  
10 IDENTIFY:

11 (I) THE AMOUNT ATTRIBUTABLE TO DISPENSING FEES; AND

12 (II) THE AMOUNT ATTRIBUTABLE TO SERVICE OR ADMINISTRATIVE  
13 FEES;

14 (f) THE TOTAL ANNUAL PAYMENTS RECEIVED FROM COLORADO  
15 PHARMACIES FOR PRESCRIPTION DRUGS ON THE LIST COMPILED IN  
16 ACCORDANCE WITH SECTION 25-51-104 (1)(a); AND

17 (g) THE TOTAL ANNUAL PAYMENTS RECEIVED FROM COLORADO  
18 INSURERS AND EMPLOYERS FOR PRESCRIPTION DRUGS ON THE LIST  
19 COMPILED IN ACCORDANCE WITH SECTION 25-51-104 (1)(a).

20 **25-51-107. Insurer pricing reports.** (1) INSURERS ISSUING  
21 HEALTH COVERAGE PLANS TO COLORADO RESIDENTS SHALL ANNUALLY  
22 REPORT TO THE STATE BOARD THE FOLLOWING:

23 (a) THE PERCENTAGE OF TOTAL PREMIUMS CHARGED TO  
24 COLORADO RESIDENTS IN THE PRIOR CALENDAR YEAR THAT ARE DIRECTLY  
25 ATTRIBUTABLE TO THE COST OF COVERED PRESCRIPTION DRUGS ON THE  
26 LIST COMPILED IN ACCORDANCE WITH SECTION 25-51-104 (1)(a);

27 (b) THE ESTIMATED PERCENTAGE OF TOTAL PREMIUMS TO BE  
28 CHARGED TO COLORADO RESIDENTS FOR THE NEXT CALENDAR YEAR  
29 DIRECTLY ATTRIBUTABLE TO THE COST OF COVERED PRESCRIPTION DRUGS  
30 ON THE LIST COMPILED IN ACCORDANCE WITH SECTION 25-51-104 (1)(a);

31 (c) THE ANNUAL PERCENTAGE INCREASE OR DECREASE IN TOTAL  
32 COSTS FROM THE PRIOR CALENDAR YEAR PAID BY THE INSURER FOR  
33 PRESCRIPTION DRUGS ON THE LIST COMPILED IN ACCORDANCE WITH  
34 SECTION 25-51-104 (1)(a);

35 (d) THE AVERAGE MONTHLY COST PER ENROLLEE FOR THE PRIOR  
36 CALENDAR YEAR INCURRED BY THE INSURER FOR PRESCRIPTION DRUGS ON

1 THE LIST COMPILED IN ACCORDANCE WITH SECTION 25-51-104 (1)(a)  
2 DIVIDED BY THE NUMBER OF PERSONS ENROLLED IN THE HEALTH  
3 COVERAGE PLAN;

4 (e) THE AVERAGE ANNUAL COST FOR THE PRIOR CALENDAR YEAR  
5 TO AN ENROLLEE IN A HEALTH COVERAGE PLAN FOR PRESCRIPTION DRUGS  
6 ON THE LIST COMPILED IN ACCORDANCE WITH SECTION 25-51-104 (1)(a).

7 (f) A STATEMENT DESCRIBING THE INSURER'S USE OF PHARMACY  
8 BENEFIT MANAGERS IN MANAGING COSTS UNDER HEALTH COVERAGE  
9 PLANS;

10 (g) THE AMOUNT OF REBATES AND DISCOUNTS RECEIVED FROM  
11 PHARMACY BENEFIT MANAGERS IN THE PRIOR CALENDAR YEAR  
12 ATTRIBUTABLE TO PRESCRIPTION DRUGS ON THE LIST COMPILED IN  
13 ACCORDANCE WITH SECTION 25-51-104 (1)(a);

14 (h) A STATEMENT DESCRIBING HOW THE INSURER ADJUSTS  
15 ENROLLEE COST SHARING IN HEALTH COVERAGE PLANS AS A RESULT OF  
16 PHARMACY BENEFIT MANAGER REBATES AND DISCOUNTS;

17 (i) THE ADMINISTRATIVE FEES PAID IN THE PRIOR CALENDAR YEAR  
18 TO PHARMACY BENEFIT MANAGERS AND THE PERCENTAGE OF THOSE  
19 ADMINISTRATIVE FEES ATTRIBUTABLE TO PRESCRIPTION DRUGS ON THE  
20 LIST COMPILED IN ACCORDANCE WITH SECTION 25-51-104 (1)(a); AND

21 (j) THE AVERAGE AMOUNT EACH ENROLLEE PAYS FOR  
22 PRESCRIPTION DRUGS ON THE LIST COMPILED IN ACCORDANCE WITH  
23 SECTION 25-51-104 (1)(a).

24 **25-51-108. Pharmacy pricing reports.** (1) PERSONS ENGAGED IN  
25 THE PRACTICE OF PHARMACY AS THAT TERM IS DEFINED IN SECTION 12-  
26 42.5-102 (31) SHALL ANNUALLY REPORT TO THE STATE BOARD THE  
27 FOLLOWING INFORMATION FROM THE PRIOR CALENDAR YEAR:

28 (a) THE TOTAL PAYMENTS RECEIVED FROM PHARMACY BENEFIT  
29 MANAGERS FOR PRESCRIPTION DRUGS ON THE LIST COMPILED IN  
30 ACCORDANCE WITH SECTION 25-51-104 (1)(a);

31 (b) THE TOTAL PAYMENTS RECEIVED FROM INSURERS FOR  
32 PRESCRIPTION DRUGS ON THE LIST COMPILED IN ACCORDANCE WITH  
33 SECTION 25-51-104 (1)(a);

34 (c) THE TOTAL PAYMENTS TO PRESCRIPTION DRUG WHOLESALERS,  
35 DISTRIBUTORS, AND MANUFACTURERS FOR PRESCRIPTION DRUGS ON THE  
36 LIST COMPILED IN ACCORDANCE WITH SECTION 25-51-104 (1)(a); AND

37 (d) THE TOTAL FEES, INCLUDING ADMINISTRATIVE FEES PAID TO  
38 PHARMACY BENEFIT MANAGERS, FOR DISPENSING PRESCRIPTION DRUGS ON  
39 THE LIST COMPILED IN ACCORDANCE WITH SECTION 25-51-104 (1)(a)."

40 Page 7, line 13, strike "**25-51-107.**" and substitute "**25-51-109.**".

- 1 Page 8, line 7, strike "**25-51-108.**" and substitute "**25-51-110.**".
- 2 Page 8, line 8, strike "**penalties.**" and substitute "**penalties - exemption.**".
- 3 Page 8, before line 22 insert:
  - 4 "(4) NOTHING CONTAINED IN THIS ARTICLE 51 SHALL APPLY TO THE
  - 5 COVERAGE OF PRESCRIPTION DRUGS UNDER A HEALTH COVERAGE PLAN
  - 6 THAT IS SUBJECT TO THE FEDERAL "EMPLOYEE RETIREMENT INCOME
  - 7 SECURITY ACT OF 1974".
- 8 Page 8, line 22, strike "**25-51-109.**" and substitute "**25-51-111.**".
- 9 Page 9, line 19, strike "**25-51-110.**" and substitute "**25-51-112.**".

\*\* \*\* \*\* \*\* \*\*