

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

Date

April 11, 2019

Committee on Finance.

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

HB19-1296 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, page 8, line 5, strike "REBATES," and substitute
2 "REBATES AND".

3 Page 8, line 6, strike "OR OTHER SOURCES OF REVENUE" and substitute
4 "OTHER THAN REBATES USED TO REDUCE COST SHARING FOR PRESCRIPTION
5 DRUGS IN ACCORDANCE WITH SECTION 10-16-148,".

6 Page 26, lines 22 and 23, strike "**Cost sharing in prescription drugs -
7 limits - definitions - confidentiality of rebate information**" and
8 substitute "**Cost sharing for prescription drugs - required rebate
9 reductions - definitions**".

10 Page 27, strike lines 7 through 27.

11 Page 28, strike lines 1 through 4 and substitute:

12 "(d) "REBATE" MEANS A PRICE CONCESSION GIVEN BY A
13 MANUFACTURER DIRECTLY TO A CARRIER OR PHARMACY BENEFIT
14 MANAGEMENT FIRM THAT REDUCES THE CARRIER'S PRESCRIPTION DRUG
15 COSTS FOR THE BENEFIT YEAR.

16 (2) FOR EACH OF ITS HEALTH COVERAGE PLANS ISSUED OR
17 RENEWED ON OR AFTER JANUARY 1, 2021, A CARRIER SHALL REDUCE THE
18 AMOUNT OF COST SHARING THAT IT WOULD OTHERWISE CHARGE A
19 COVERED PERSON FOR A PRESCRIPTION DRUG BY AN AMOUNT EQUAL TO

1 ONE HUNDRED PERCENT OF THE ESTIMATED REBATE PER PRESCRIPTION
2 THAT THE CARRIER RECEIVED FOR THE PRESCRIPTION DRUG, CALCULATED
3 BASED ON THE REBATES THE CARRIER RECEIVED FOR THAT PRESCRIPTION
4 DRUG IN THE PREVIOUS QUARTER; EXCEPT THAT THE REDUCTION AMOUNT
5 SHALL NOT EXCEED AN AMOUNT EQUAL TO THE COVERED PERSON'S
6 COST-SHARING AMOUNT THAT WOULD OTHERWISE BE CHARGED FOR THE
7 DISPENSED PRESCRIPTION DRUG. NEITHER THE COVERED PERSON NOR THE
8 CARRIER IS RESPONSIBLE FOR ANY DIFFERENCE BETWEEN THE ESTIMATED
9 REBATE AMOUNT AND THE ACTUAL REBATE THE CARRIER RECEIVES."

10 Page 28, line 9, strike "SECTION." and substitute "SECTION, WHICH RULES
11 MUST ENSURE THAT REBATES ARE APPLIED IN A MANNER TO PROVIDE A
12 PRICE REDUCTION FOR COVERED PERSONS WHO HAVE NOT REACHED THEIR
13 ANNUAL COST-SHARING LIMIT AND TO LIMIT THE EFFECT ON PREMIUMS."

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