

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

Date

April 3, 2019

Committee on Health & Insurance.

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 Finance with favorable recommendation:

1 Amend printed bill, page 6, after line 11 insert:

2 "(10) "PHARMACY" MEANS AN IN-STATE OR NONRESIDENT
3 PRESCRIPTION DRUG OUTLET, AS DEFINED IN SECTION 12-42.5-102 (35), AN
4 OTHER OUTLET, AS DEFINED IN SECTION 12-42.5-102 (25), A HOSPITAL
5 SATELLITE PHARMACY, AS DEFINED IN SECTION 12-42.5-102 (16), OR
6 OTHER SETTING, INCLUDING A PRACTITIONER'S OFFICE OR CLINIC, WHERE
7 A PRACTITIONER, AS DEFINED IN SECTION 12-42.5-102 (32), DISPENSES
8 PRESCRIPTION DRUGS TO PATIENTS AS AUTHORIZED BY SECTION
9 12-42.5-118 (6)."

10 Renumber succeeding subsections accordingly.

11 Page 7, strike lines 8 through 10 and substitute "DRUGS, DISPENSED AT A
12 PHARMACY FOR OUTPATIENT USE AND PAID FOR BY A HEALTH INSURER IN
13 THIS STATE DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR, THE".

14 Page 7, line 11, strike the first "A".

15 Page 12, strike lines 8 through 11 and substitute:

16 "(VI) THE PATENT EXPIRATION DATE OF THE PRESCRIPTION DRUG,
17 IF IT IS UNDER PATENT;".

18 Page 15, strike line 9 and substitute "**reports.** (1) STARTING IN 2020,".

- 1 Page 15, line 10, strike "(1)(b) OF THIS SECTION,".
- 2 Page 15, strike lines 22 through 27.
- 3 Page 16, strike lines 1 through 4.
- 4 Page 16, strike lines 5 through 10 and substitute:
- 5 "(2) FOR ALL PRESCRIPTION DRUGS PAID FOR IN THE PRIOR
6 CALENDAR YEAR, THE HEALTH INSURER OR PHARMACY BENEFIT
7 MANAGEMENT FIRM SHALL REPORT:
8 (a) THE AGGREGATE AMOUNT OF ALL REBATES AND DISCOUNTS
9 THAT REDUCE THE COST TO ACQUIRE PRESCRIPTION DRUGS".
- 10 Page 16, line 11, strike "PRESCRIPTION DRUG".
- 11 Page 16, lines 12 and 13, strike "THE PRESCRIPTION DRUG" and substitute
12 "PRESCRIPTION DRUGS".
- 13 Page 16, strike lines 14 through 16 and substitute "YEAR;
14 (b) THE AGGREGATE AMOUNT OF ALL REBATES AND DISCOUNTS
15 THAT REDUCE THE COST TO ACQUIRE ALL PRESCRIPTION DRUGS".
- 16 Page 16, line 17, strike "PRESCRIPTION DRUG".
- 17 Page 16, line 20, strike "TOTAL" and substitute "AGGREGATE".
- 18 Page 16, line 22, strike "THE PRESCRIPTION DRUG;" and substitute "ALL
19 PRESCRIPTION DRUGS; AND".
- 20 Page 16, strike lines 23 through 27.
- 21 Page 17, strike lines 1 through 9.
- 22 Reletter succeeding paragraphs accordingly.
- 23 Page 17, line 10, strike "TOTAL" and substitute "AGGREGATE".
- 24 Page 17, lines 11 and 12, strike "THE PRESCRIPTION DRUG," and substitute
25 "PRESCRIPTION DRUGS,".

1 Page 17, strike lines 16 through 18 and substitute:

2 "(e) AN EXPLANATION OF ALL OTHER SERVICES OFFERED BY THE
3 HEALTH INSURER OR PHARMACY BENEFIT MANAGEMENT FIRM, EXCLUDING
4 PROPRIETARY AND CLIENT-SPECIFIC INFORMATION."

5 Page 18, line 13, after "VALUE" insert "THAT EXCEEDS ONE THOUSAND
6 DOLLARS IN VALUE".

7 Page 18, strike line 16 and substitute "11 OR A TRADE ASSOCIATION
8 REPRESENTING ANY OF THOSE INDUSTRIES."

9 Page 19, line 6, after "VALUE" insert "THAT EXCEEDS ONE THOUSAND
10 DOLLARS IN VALUE".

11 Page 19, after line 9 insert:

12 "(4) A NONPROFIT ORGANIZATION SUBJECT TO THE REPORTING
13 REQUIREMENTS OF THIS SECTION THAT FAILS TO COMPLY WITH THE
14 REQUIREMENTS IS SUBJECT TO A FINE OF UP TO ONE THOUSAND DOLLARS."

15 Page 19, line 26, strike "INFORMATION REPORTED BY" and substitute
16 "COMBINED AGGREGATE INFORMATION REPORTED BY ALL HEALTH
17 INSURERS AND".

18 Page 22, after line 5 insert:

19 "(b) AT LEAST THIRTY DAYS BEFORE THE COMMISSIONER
20 PUBLISHES AND SUBMITS THE REPORT PURSUANT TO SUBSECTIONS (2)(c)
21 AND (2)(d) OF THIS SECTION, THE COMMISSIONER SHALL PROVIDE HEALTH
22 INSURERS, MANUFACTURERS, AND PHARMACY BENEFIT MANAGEMENT
23 FIRMS THAT REPORTED DATA TO THE COMMISSIONER PURSUANT TO THIS
24 PART 11 AN EXPLANATION AND DESCRIPTION OF THE INFORMATION THAT
25 WILL BE RELEASED IN THE REPORT AND AN OPPORTUNITY TO OBJECT TO
26 THE RELEASE OF SPECIFIED INFORMATION ON THE GROUNDS THAT THE
27 INFORMATION IS PROPRIETARY. A HEALTH INSURER, MANUFACTURER, OR
28 PHARMACY BENEFIT MANAGEMENT FIRM OBJECTING TO THE RELEASE OF
29 INFORMATION MUST SUBMIT ITS OBJECTION AND INFORMATION
30 DEMONSTRATING THAT THE SPECIFIED INFORMATION IS PROPRIETARY NO
31 LATER THAN FIFTEEN DAYS AFTER RECEIPT OF THE EXPLANATION AND
32 DESCRIPTION FROM THE COMMISSIONER. THE COMMISSIONER SHALL MAKE

1 A DETERMINATION AND NOTIFY THE OBJECTING PARTY OF THE
2 DETERMINATION WITHIN FIFTEEN DAYS AFTER RECEIPT OF THE OBJECTION
3 FROM THE HEALTH INSURER, MANUFACTURER, OR PHARMACY BENEFIT
4 MANAGEMENT FIRM AND, IF THE COMMISSIONER FINDS IN FAVOR OF THE
5 OBJECTING PARTY, SHALL REMOVE THE PROPRIETARY INFORMATION FROM
6 THE REPORT BEFORE PUBLISHING AND SUBMITTING IT PURSUANT TO
7 SUBSECTIONS (2)(c) AND (2)(d) OF THIS SECTION. THE DETERMINATION OF
8 THE COMMISSIONER IS FINAL AND IS NOT SUBJECT TO REVIEW."

9 Reletter succeeding paragraphs accordingly.

10 Page 26, strike lines 18 and 19 and substitute:

11 "(c) "PHARMACY" MEANS AN IN-STATE OR NONRESIDENT
12 PRESCRIPTION DRUG OUTLET, AS DEFINED IN SECTION 12-42.5-102 (35), AN
13 OTHER OUTLET, AS DEFINED IN SECTION 12-42.5-102 (25), A HOSPITAL
14 SATELLITE PHARMACY, AS DEFINED IN SECTION 12-42.5-102 (16), OR
15 OTHER SETTING, INCLUDING A PRACTITIONER'S OFFICE OR CLINIC, WHERE
16 A PRACTITIONER, AS DEFINED IN SECTION 12-42.5-102 (32), DISPENSES
17 PRESCRIPTION DRUGS TO PATIENTS AS AUTHORIZED BY SECTION
18 12-42.5-118 (6)."

19 After "THE" insert "AGGREGATE" on: **Page 17**, lines 13 and 14.

** ** ** ** **