

FINAL BILL REPORT

SHB 2464

C 116 L 20
Synopsis as Enacted

Brief Description: Protecting patients from excess prescription medication charges.

Sponsors: House Committee on Health Care & Wellness (originally sponsored by Representatives Gildon and Young).

House Committee on Health Care & Wellness
Senate Committee on Health & Long Term Care

Background:

A pharmacy benefit manager (PBM) acts as an intermediary between the entities with which it contracts and pharmaceutical manufacturers to administer the drug benefit portion of a health plan. A PBM processes and pays prescription drug claims, develops and maintains the formulary, contracts with pharmacies, and negotiates discounts and rebates with manufacturers. To conduct business in Washington, a PBM must register with the Office of the Insurance Commissioner (OIC). The OIC has enforcement authority over the PBMs.

A health plan offering coverage to individuals or small groups is required, under the federal Patient Protection and Affordable Care Act (ACA), to cover 10 categories of essential health benefits, one of which is prescription drugs. To comply with the ACA's prescription drug coverage requirement, a health carrier must cover prescription drugs in a manner substantially equal to a benchmark plan selected by the state.

Summary:

Beginning January 1, 2021, the maximum amount a PBM or health carrier may require a person to pay at the point of sale for a covered prescription medication is the lesser of:

- the applicable cost sharing for the medication; or
- the amount the person would pay for the medication if he or she purchased it without using a health plan.

A health carrier or PBM may not require a pharmacist to dispense a brand name prescription drug when a less expensive therapeutically equivalent generic drug is available.

Votes on Final Passage:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

House	98	0	
Senate	48	0	(Senate amended)
House	96	0	(House concurred)

Effective: June 11, 2020