

# SENATE BILL REPORT

## SB 5888

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As of January 26, 2022

**Title:** An act relating to cost-sharing fairness.

**Brief Description:** Concerning cost-sharing fairness.

**Sponsors:** Senators Rivers, Cleveland, Hasegawa and Nobles.

**Brief History:**

**Committee Activity:** Health & Long Term Care: 1/28/22.

**Brief Summary of Bill**

- Requires an enrollee's cost-sharing obligation for a prescription drug to be calculated based on a price reduced by at least 80 percent of all rebates for the drug.

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### SENATE COMMITTEE ON HEALTH & LONG TERM CARE

**Staff:** Greg Attanasio (786-7410)

**Background:** Cost-sharing refers to the portion of costs for healthcare services an enrollee of a health plan is responsible for paying out-of-pocket before the plan covers the remainder of the cost. Cost-sharing can be in the form of a deductible, copayment, coinsurance, or similar obligations. Cost-sharing obligations for prescription drug coverage varies among health plans, with some plans providing coverage before the deductible, some requiring the enrollee to meet a plan deductible before providing coverage, and some requiring the enrollee to meet a specific prescription drug deductible.

Prescription drug rebates are generally paid by a pharmaceutical manufacturer to a pharmacy benefit manager or health carrier and reduce the net cost of covering the drug. Rebate contract terms are trade secrets and vary among brands, manufacturers, and health carriers.

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**Summary of Bill:** An enrollee's obligation toward their deductible or coinsurance for each prescription drug must be calculated at the point of sale based on a price that is reduced by an amount equal to at least 80 percent of all rebates received, or to be received, in connection with the dispensing or administration of the prescription drug.

To comply with the provisions of this section, a carrier or its agents may not publish or otherwise reveal information regarding the amount of rebates or price protection rebates it receives on a product, manufacturer, or pharmacy-specific basis. Such information is a trade secret and is not a public record.

"Rebate" means:

- negotiated price concessions including, but not limited to, base price concessions, whether described as a rebate or otherwise, and reasonable estimates of any price protection rebates and performance-based price concessions that may accrue directly or indirectly to the carrier during the coverage year from a manufacturer, dispensing pharmacy, or other party in connection with the dispensing or administration of a prescription drug; and
- reasonable estimates of any negotiated price concessions, fees, and other administrative costs that are passed through, or are reasonably anticipated to be passed through, to the carrier and serve to reduce the carrier's liabilities for a prescription drug.

**Appropriation:** None.

**Fiscal Note:** Requested on January 25, 2022.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.