

Legislature - First Session - 2019

Introducer's Statement of Intent

LB316

Chairperson: Senator Matt Williams

Committee: Banking, Commerce and Insurance

Date of Hearing: March 04, 2019

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 316 creates the Pharmacy Benefit Fairness and Transparency Act. The Pharmacy Benefit Fairness and Transparency Act requires that all pharmacy benefit managers (PBMs) doing business in Nebraska obtain certification as a Third Party Administrator under the Third Party Administrator Act, with oversight by the Nebraska Department of Insurance. Violation of these Acts shall be considered unfair trade practices pursuant to the Unfair Insurance Trade Practices Act. LB 316 allows the Director to examine the financial condition of the PBM pursuant to the Insurers Examination Act.

LB 316 establishes transparency provisions for the PBMs to follow when contracting with pharmacies. PBMs are not allowed to include in their contracts with pharmacies:

- (a) language that allows pharmacy benefit managers to claw back payments from pharmacies or over charge for copayments for patients,
- (b) any restrictions on sharing pricing information with patients for their medications,
- (c) restrictions on pharmacies mailing medications to patients at the request of the patients or mandating the use of the PBM owned mail-order pharmacies, and
- (d) restrictions on pharmacies being allowed to participate in specialty and other pharmacy networks.

LB 316 allows the Department of Insurance to promulgate rules and regulations to carry out the Act.

Principal Introducer: _____

Senator Mark Kolterman