

State Corporation Commission 2020 Fiscal Impact Statement

1. Bill Number: HB1290

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|------------------------|--|--|------------------------------------|
| House of Origin | <input type="checkbox"/> Introduced | <input checked="" type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| Second House | <input checked="" type="checkbox"/> In Committee | <input type="checkbox"/> Substitute | <input type="checkbox"/> Enrolled |

2. Patron: Hodges

3. Committee: Commerce and Labor

4. Title: Pharmacy benefits managers; licensure and regulation.

5. Summary: Unless otherwise covered by a license as a carrier, no person is authorized to provide pharmacy benefits management services or otherwise act as a pharmacy benefits manager without first obtaining a license from the State Corporation Commission. Such licenses are to be renewed annually. The bill provides that the Commission may refuse to issue or may suspend or revoke a pharmacy benefits manager license if the applicant or license holder has not complied with the provisions of this article or the regulations of the Commission. Each carrier, on its own or through its contract for pharmacy benefits, shall ensure that the Commission may examine or audit the books and records of a pharmacy benefits manager providing claims processing services or other prescription drug or device services for a carrier that are relevant to determining if the pharmacy benefits manager is in compliance with this article.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: No fiscal impact on the State Corporation Commission

8. Fiscal Implications: None on the State Corporation Commission

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission Bureau of Insurance

10. Technical Amendment Necessary: No

11. Other Comments: The technical amendments offered by the State Corporation Commission Bureau of Insurance to House Bill 1290 were included in the amendment in the nature of a substitute to the bill.

There were several bills dealing with pharmacy benefit managers. The only remaining bill now is Senate Bill 251, which is identical to House Bill 1290.

Date: 2/11/2020/V. Tompkins