

# State Corporation Commission

## 2015 Fiscal Impact Statement

1. **Bill Number:** HB2031

**House of Origin**     Introduced     Substitute     Engrossed  
**Second House**     In Committee     Substitute     Enrolled

2. **Patron:** Yost

3. **Committee:** Passed Both Houses

4. **Title:** Health insurance; updating maximum allowable cost pricing lists.

5. **Summary:** Health insurance; updating maximum allowable cost pricing lists. Requires any contract between a health insurance carrier and its intermediary pursuant to which the intermediary has the right or obligation to establish a maximum allowable cost, and any provider contract between a carrier and a participating pharmacy provider or its contracting agent pursuant to which the carrier has the right or obligation to establish a maximum allowable cost, to contain specific provisions that require the intermediary or carrier to update, not less frequently than once every seven days, the maximum allowable cost list, unless there has been no change to the maximum allowable cost of any drug on the list since the last update. Such contracts are also required to contain specific provisions that require the intermediary or carrier to (i) verify, not less frequently than once every seven days, that the drugs on the maximum allowable cost list are available to participating pharmacy providers from at least one regional or national pharmacy wholesaler and that the amount for each drug is not obsolete and promptly revise the maximum allowable cost if necessary to comply with this subsection; (ii) provide a process for each participating pharmacy provider to readily access the maximum allowable cost list specific to that provider; and (iii) prohibit the intermediary or carrier from terminating or failing to renew its contractual relationship with a participating pharmacy provider for invoking its rights under any of these required contractual provisions. Such contracts are also required to contain provisions that require the intermediary or carrier to provide a process for an appeal, investigation, and resolution of disputes regarding maximum allowable cost drug pricing. The State Corporation Commission shall not have jurisdiction to adjudicate individual controversies arising out of this measure.

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 and the Commission's Bureau of Insurance

10. **Technical amendment necessary:** No

11. **Other comments:** No

**Date:** 02/27/15/V. Tompkins

cc: Secretary of Commerce and Trade  
Secretary of Health and Human Resources