

SENATE COMMITTEE AMENDMENTS

2025 Regular Session

Amendments proposed by Senate Committee on Insurance to Reengrossed House Bill No. 264 by Representative Echols

1 AMENDMENT NO. 1

2 On page 1, line 2, delete "and (B)(introductory paragraph) and (4)"

3 AMENDMENT NO. 2

4 On page 1, line 3, delete "and 1860.3(F)" and insert ", 1860.3(F), and 1868"

5 AMENDMENT NO. 3

6 On page 1, line 4, delete "to modify the definition" and insert "to prohibit the retention"

7 AMENDMENT NO. 4

8 On page 1, line 9, delete "and (B)(introductory paragraph) and (4) are" and insert "is"

9 AMENDMENT NO. 5

10 On page 1, line 10, delete "and 1860.3(F)" and insert ", 1860.3(F), and 1868"

11 AMENDMENT NO. 6

12 On page 1, delete lines 17 and 18 and on page 2, delete lines 1 through 18

13 AMENDMENT NO. 7

14 On page 3, line 3, delete "and approve"

15 AMENDMENT NO. 8

16 On page 3, between lines 16 and 17, insert the following:

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17 §1868. Pharmacy benefit manager rebate retention restrictions; fee disclosure

18 A. A pharmacy benefit manager may negotiate, but shall not retain any
19 portion of rebates received from a drug manufacturer. All manufacturer rebates shall
20 be passed through to the plan sponsor.

21 B. All pharmacy benefit management fees shall be disclosed in writing and
22 set forth clearly in the contract between the pharmacy benefit manager and the
23 insurer or health plan.

24 C. On or before December thirty-first of each calendar year, each pharmacy
25 benefit manager shall certify under oath to the commissioner of insurance that it has
26 fully complied with the provisions of this Section for the prior calendar year. The
27 certification shall be signed by the chief executive officer or chief financial officer
28 of the pharmacy benefit manager and shall be subject to audit and penalty for false
29 statements.

30 D. Any violation of this Section shall be considered an unfair or deceptive act
31 or practice in the business of insurance and shall be subject to all enforcement
32 authority granted to the commissioner pursuant to this Title.

33 E. For purposes of this Section, the following definitions apply:

34 (1) "Pharmacy benefit management fee" means a fee paid by an insurer or
35 health plan to a pharmacy benefit manager for pharmacy benefit management
36 services provided.

37 (2) "Rebates" means all rebates, discounts, and other price concessions, based
38 on utilization of a prescription drug and paid by the manufacturer or other party other
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1 than an enrollee, directly or indirectly, to the pharmacy benefit manager after the
2 claim has been adjudicated at the pharmacy. Rebates shall include a reasonable
3 estimate, as determined by the commissioner, of any volume-based discount or other
4 discounts."