

BILL SUMMARY
1st Session of the 54th Legislature

Bill No.:	HB 2100
Version:	Introduced
Request Number:	6663
Author:	Rep. Derby
Date:	2/19/2013
Impact:	Board of Pharmacy Costs
	One-time - \$20,000
	Annual - \$130,000/yr.
	OHCA Medicaid Cost Increase:
	State Share: approx. \$4 million

Research Analysis

HB 2100, as introduced, requires a pharmacy benefits manager (PBM) or any entity acting as one through a contractual or employment relationship for a covered entity to obtain a license from the State Board of Pharmacy. The Board will develop licensure procedures and may charge a fee for the license. Additionally, the measure specifies certain conditions under which the PBM must notify a plan sponsor and specifies certain information that must be made available to a covered entity upon request. Furthermore, the measure requires a PBM to have a written executed contract with a provider and specifies the type of information that must be specified in the contract. Finally, only the Board and other state or federal governmental entities are allowed to require certain accreditation and licensing of providers.

Prepared By: Scott C. Tohlen

Fiscal Analysis

HB 2100 creates oversight, licensing and regulation related to the practice of Pharmacy Benefits Managers (PBMs). The measure places the administration of such regulation under the Board of Pharmacy. The Board of Pharmacy estimates the following costs related to the measure. One time costs of approximately \$20,000 associated with software programming for the additional licensing. The Board anticipates annual costs of \$130,000 related the need for 1 FTE, (\$70,000/yr. salary and benefits), to oversee the administration of the measure; as well as, additional utilization of assistant attorney general services (\$60,000/yr.).

The measure authorizes the Board of Pharmacy to offset the cost of the measure's administration by establishing fees through administrative rule; however, as a Title 59 agency, Title 75 O.S. §308 Subsection F, limits the Board's authority to establish fees in administrative rule. Such action would require approval by the Legislature in the 2014 Session, which cannot be guaranteed.

The Oklahoma Health Care Authority (OHCA) anticipates an increased cost of \$10 Million to the state's Medicaid program, as a result of the measure's regulation of pharmaceutical coverage and pricing, in section 5. The State's share of this additional cost will be approximately \$4 Million, with the remaining \$6 Million covered by federal matching dollars.

Prepared By: John McPhetridge

Other Considerations

None at this time

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