

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 3447</b>
<b>Version:</b>	<b>CS</b>
<b>Request Number:</b>	<b>11557</b>
<b>Author:</b>	<b>Rep. McEntire</b>
<b>Date:</b>	<b>3/9/2020</b>
<b>Impact:</b>	<b>EGID: See below</b>

**Research Analysis**

The CS to HB 3447 7 requires that a health insurance enrollee's cost-sharing requirement for prescription drugs be calculated at price reduced by at least 80% of all rebates received by the insurer.

Prepared By: Anna Rouw

**Fiscal Analysis**

Per the Employees Group Insurance Division (EGID), the mandated calculated cost sharing of each enrollee's prescription happens at the point of sale; and is based on a price reduction of at least eighty percent (80%) or equal to 80% of all rebates received, in connection with the dispensing or administration of a particular prescription drug.

Current rebates received from CVS Caremark for HealthChoice's Commercial plans, for point of sale rebates, passed through, can be as great as 7.0 – 9.0% of total healthcare costs. HealthChoice is self-funded and OMES is a not for profit sponsor and 100% of all pharmacy rebates received are passed through to the members through premium rates. Based on the current rebates being received from CVS Caremark for HealthChoice's Commercial plans, the point of sale rebates passed through can be as great as \$60-75 million, or 7.0-9.0% of total healthcare costs.

However, most HealthChoice members are enrolled in flat copay dollar prescription plans. The Plan Sponsor (EGID) will be the one to see the decrease in claims cost due to the rebates being applied at the point of sale. Therefore, the estimated impact is closer to \$6 million or 1% of total healthcare costs, with the rest of the rebates being used to offset premiums.

Prepared By: Jenny Mobley

**Other Considerations**

None.