

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 SENATE BILL 1521

By: Quinn

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6 AS INTRODUCED

7 An Act relating to prescription drugs; creating the
8 Oklahoma Prescription Drug Cost Transparency Act;
9 defining terms; requiring drug manufacturers to
10 submit certain reports annually; requiring Insurance
Commissioner to develop website for prescription drug
prices; providing for codification; and providing an
effective date.

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13 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

14 SECTION 1. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 7403 of Title 36, unless there
16 is created a duplication in numbering, reads as follows:

17 A. This act shall be known and may be cited as the "Oklahoma
18 Prescription Drug Cost Transparency Act".

19 B. As used in this section:

20 1. "Commissioner" means the Insurance Commissioner;

21 2. "Department" means the Insurance Department;

22 3. "Drug" means:

23 a. articles recognized in the official United States

24 Pharmacopoeia, official Homeopathic Pharmacopoeia of
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1 the United States or official National Formulary, or
2 any supplement to any of them,

3 b. articles intended for use in the diagnosis, cure,
4 mitigation, treatment or prevention of disease in
5 humans or other animals,

6 c. articles, other than food, intended to affect the
7 structure or any function of the body of humans or any
8 other animal, and

9 d. articles intended for use as a component of any
10 articles specified in this paragraph but shall not
11 include devices or their components, parts or
12 accessories;

13 4. "Health benefit plan" means a plan that:

14 a. provides benefits for medical or surgical expenses
15 incurred as a result of a health condition, accident
16 or sickness,

17 b. is offered by any insurance company, group hospital
18 service corporation, the State and Education Employees
19 Group Insurance Board, or health maintenance
20 organization that delivers or issues for delivery an
21 individual, group, blanket, or franchise insurance
22 policy or insurance agreement, a group hospital
23 service contract, or an evidence of coverage, or, to
24 the extent permitted by the Employee Retirement Income
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1 Security Act of 1974, 29 U.S.C., Section 1001 et seq.,
2 by a multiple employer welfare arrangement as defined
3 in Section 3 of the Employee Retirement Income
4 Security Act of 1974, or any other analogous benefit
5 arrangement, whether the payment is fixed or by
6 indemnity, and

7 c. the term "health benefit plan" shall not include:

8 (1) a plan that provides coverage:

9 (a) only for a specified disease or diseases or
10 under an individual limited benefit policy,

11 (b) only for accidental death or dismemberment,

12 (c) only for dental or vision care,

13 (d) a hospital confinement indemnity policy,

14 (e) disability income insurance or a combination
15 of accident-only and disability income
16 insurance, or

17 (f) as a supplement to liability insurance,

18 d. a Medicare supplemental policy as defined by Section
19 1882(g) (1) of the Social Security Act (42 U.S.C.,
20 Section 1395ss),

21 e. workers' compensation insurance coverage,

22 f. medical payment insurance issued as part of a motor
23 vehicle insurance policy,

1 g. a long-term care policy, including a nursing home
2 fixed indemnity policy, unless a determination is made
3 that the policy provides benefit coverage so
4 comprehensive that the policy meets the definition of
5 a health benefit plan, or

6 h. short-term health insurance issued on a nonrenewable
7 basis with a duration of six (6) months or less;

8 5. "Pharmacist services" means products, goods and services, or
9 any combination of products, goods and services, provided as a part
10 of the practice of pharmacy;

11 6. "Pharmacy benefits manager" means any person that
12 administers the prescription drug, prescription device, pharmacist
13 services or prescription drug and device and pharmacist services
14 portion of a health care plan offered in the state on behalf of a
15 health benefit plan;

16 7. "Rebate" means any discount or concession which affects the
17 price of a prescription drug to a pharmacy benefits manager or
18 health benefit plan for a prescription drug manufactured by the
19 pharmaceutical manufacturer; and

20 8. "Wholesale acquisition cost" means, with respect to a
21 pharmaceutical drug or biological product, the manufacturer's list
22 price for the pharmaceutical drug or biological product to
23 wholesalers or direct purchasers in the United States for the most
24 recent month for which the information is available, as reported in

1 wholesale price guides or other publications of pharmaceutical drug
2 or biological product pricing data, not including any rebates,
3 prompt pay or other discounts or other reductions in price.

4 C. 1. Beginning on January 1, 2021, and annual thereafter,
5 each drug manufacturer shall submit a report to the Insurance
6 Commissioner no later than the fifteenth day of January, April, July
7 and October with the current wholesale acquisition cost information
8 for the United States Food and Drug Administration approved drugs
9 sold in or into the state by that manufacturer.

10 2. The Commissioner shall develop a website to contain
11 prescription drug price information submitted pursuant to paragraph
12 1 of this subsection. The website shall be made available on the
13 website of the Department of Insurance with a dedicated link that is
14 prominently displayed on the home page, or by a separate easily
15 identifiable Internet address.

16 SECTION 2. This act shall become effective November 1, 2020.

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