

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 58<sup>th</sup> Legislature

|                        |                                     |
|------------------------|-------------------------------------|
| <b>Bill No.:</b>       | <b>SB1324</b>                       |
| <b>Version:</b>        | <b>ENGR</b>                         |
| <b>Request Number:</b> |                                     |
| <b>Author:</b>         | <b>Rep. McEntire/Sen. McCortney</b> |
| <b>Date:</b>           | <b>4/1/2022</b>                     |
| <b>Impact:</b>         | <b>OID: \$150,000-\$200,000</b>     |

**Research Analysis**

SB 1324 modifies prohibitions to PBM contracts between pharmacy benefits managers and pharmacists or pharmacies for participation in retail pharmacy networks. The measure requires a PBM to publish on an easily accessible website the health plan formulary and timely notification of formulary changes and product exclusions for each of the PBMs contracts or other relationships with a health plan.

The measure also provides that beginning November 1, 2022, and on an annual basis thereafter, a PBM must provide the Insurance Department with a certain report containing information from the prior year as it pertains to pharmacy benefits provided by health insurers to enrollees in the state. The measure directs the Insurance Department to publish this information in a timely manner provided that such information will be made available in a form that does not disclose the identity of a specific health plan or the identity of a specific manufacturer. The Department will not publish any identifying information for a particular health plan.

The measure also provides that an enrollee's defined cost sharing for each prescription drug will be calculated at the point of sale based on a price that is reduced by an amount equal to 100% of all rebates received. The Insurance Department will fine any PBM violating this provision no less than \$100.00 and no more than \$5,000.00 per violation. A PBM may not publish information regarding the actual amount of rebates a PBM receives on a product or therapeutic class of products, manufacturer, or pharmacy-specific basis.

Additionally, the measure provides that an enrollee's defined cost sharing for each prescription drug will be calculated at the point of sale based on a price that is reduced by an amount equal to 100% of all rebates received or to be received in connection with the dispensing or administration of the prescription drug. Any PBM violating this provision will be subject to the penalty described above. Additionally, the measure adds PBMs to the list of entities on a pharmacy and therapeutics committee. The bill modifies the requirements for the pharmacy and therapeutics (P&T) committee. The measure provides that licensure procedures will include the completion of an application form that will include certain, specified requirements. Lastly, the measure adds and modifies certain definitions.

Prepared By: Dan Brooks

**Fiscal Analysis**

According to the Oklahoma Insurance Department, SB 1324 will require an increase in work for the agency, such that it will need to hire 2 additional Full-time employees, creating a fiscal

impact for the agency between \$150,000 and \$200,000. OID, is a non-appropriated agency, and therefore there will be no fiscal impact to the State itself.

Prepared By: Mariah Searock

### **Other Considerations**

According to the Office of Management and Enterprise Services, and it's consultant on premiums, this measure will require an estimated five million, six thousand dollars (\$5,006,000) required appropriation to the Education Benefit Allowance as the measure will create an increase in premiums and per 70 O.S. § 26-105, education employees who opt into medical insurance must receive 100% of the premium amount for the HealthChoice (Hi) option plan.

Employees on other state health plans will likely see an increase in premiums of \$6.03 per month per person, for an estimated total of \$10,500,000.00 premium increase for the State.

Mariah Searock