

**Bill Summary**  
2<sup>nd</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 1633</b>
<b>Version:</b>	<b>CS</b>
<b>Request No.:</b>	<b>3628</b>
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**Bill Analysis**

The CS for SB 1633 directs the Insurance Department to ensure pharmacy benefit managers (PBMs) do not engage in a clawback or spread pricing. A clawback, as defined in the measure, is the act of recovering from dispensing pharmacies and keeping as a profit the difference between a patient's co-payment and the pharmacy drug cost when the co-payment exceeds the pharmacy drug cost. Spread pricing is the act of keeping as revenue the difference between the amount paid to the PBM by a health plan for prescription drugs and the amount the PBM reimburses the pharmacy dispensing the drug. PBMs shall be required to provide the Insurance Department with a report containing financial information relating to the aggregate dollar amount of all rebates, rebate administrative fees, issuer administrative fees, all administrative fees that the PBM received from all pharmaceutical manufacturers and did not pass through to health plans or health insurers, and amount received from all pharmaceutical manufacturers. The report shall also contain the aggregate rebate percentage. The measure directs the Department to publish the aggregate information it receives in a timely manner on a publicly available website. The CS also prohibits PBMs from charging pharmacies any fee relating to the credentialing of a pharmacy or pharmacist, participation in a retail pharmacy network, and the development or management of claims processing services or claims payment services related to participation in a retail pharmacy network.

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