FIFTY-FIFTH LEGISLATURE FIRST SESSION, 2021

February 5, 2021

Mr. Speaker:

Your **HEALTH AND HUMAN SERVICES COMMITTEE**, to whom has been referred

HOUSE BILL 129

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. On pages 9 and 10, strike Paragraph (1) in its entirety and insert in lieu thereof the following new paragraph:

"(1) "aggregate retained rebate percentage" means the percentage of all rebates received by a pharmacy benefits manager from all pharmaceutical manufacturers, expressed without disclosing any identifying information regarding the health benefit plan, prescription drug or therapeutic class. The percentage shall be calculated by dividing the aggregate rebates that the pharmacy benefits manager received during the prior calendar year from all manufacturers that did not pass through to the health benefit plan or health insurance issuer by the aggregate rebates that the pharmacy benefits manager received from all pharmaceutical manufacturers;".

2. On page 10, strike lines 18 through 24 in their entirety and insert in lieu thereof the following new paragraph:

"(4) "rebates" means:

(a) negotiated price concessions, including base price concessions, whether described as a rebate or otherwise, and reasonable estimates of price protection rebates and performance-based price concessions that may accrue directly or indirectly to the insurer during the coverage year from a manufacturer, dispensing pharmacy or other party in connection with the dispensing or administration of a prescription drug; and

(b) reasonable estimates of negotiated price concessions, fees and other administrative costs that are passed through, or are reasonably anticipated to be passed through, directly or indirectly, to the insurer and serve to

FIFTY-FIFTH LEGISLATURE FIRST SESSION, 2021

HHHC/HB 129

Page 2

reduce the insurer's liabilities for a prescription drug."".

3. On page 11, line 2, after "MANAGER", insert "AND HEALTH INSURANCE ISSUER".

4. On page 11, line 17, after "manager", insert "or health insurance issuer".

5. On page 11, line 19, after "behalf", strike the remainder of the line and strike line 20 through "voucher" and insert in lieu thereof "by another person".

6. On page 12, between lines 8 and 9, insert the following new subsection:

"E. As used in this section, "health insurance issuer" means an entity that offers health insurance coverage through a plan, policy or certificate of insurance subject to state law that regulates the business of insurance and includes a health maintenance organization as defined and certified pursuant to the Health Maintenance Organization Law.".

7. Reletter the succeeding subsection accordingly.,

and thence referred to the JUDICIARY COMMITTEE.

Respectfully submitted,

Deborah Armstrong, Chair

Adopted _____

(Chief Clerk)

Not Adopted _____

(Chief Clerk)

Date _____

FIFTY-FIFTH LEGISLATURE FIRST SESSION, 2021

HHHC/HB 129

Page 3

The roll call vote was <u>9</u> For <u>2</u> Against Yes: <u>9</u> No: Anderson, Matthews Excused: None Absent: None

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