

LFC Requester:	Julisa Rodriguez
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date 1/10/24
Bill No: HB33

Sponsor: <u>Rep. Pamela Herndon</u>	Agency Name and Code <u>HSD/HCS - 630</u>
Short Title: <u>PRESCRIPTION DRUG PRICE TRANSPARENCY ACT AND APPROPRIATION</u>	Number: _____
	Person Writing <u>Janet Reese</u>
	Phone: <u>505-795-4614</u> Email <u>Janet.Reese@hsd.nm.gov</u>

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
	\$100.0	NR (FY25 & FY26)	Office of Superintendent of Insurance
			HCA

Commented [EW1]: Reminder to add appropriations here.

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

\$0.00	\$0.00	\$0.00	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0.00	\$33.0	\$33.0	\$66.00	Recurring	GF

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 33 (HB 33) enacts prescription drug price transparency across the prescription drug supply chain. One hundred thousand dollars are to be appropriated from the general fund for the Office of Superintendent of Insurance to assess drug pricing and rebate data submitted. Reports will be presented to the Legislative Finance Committee, Legislative Health and Human Services Committee, presented in an annual public meeting and made public on the superintendent’s website.

HB 33 requires data submissions from manufacturers for drug products exceeding \$400 per 30 days of treatment or exceeding \$400 per course of treatment under 30 days. Data submitted will include price increases for both brand and generic drugs and any pricing agreements manufactures enter into. Manufacturing and marketing costs, revenue reporting and price negotiations with the European Union and United Kingdom will be submitted. Manufacturers to notify OSI of new drug products being presented to market at least 60 days in advance if cost per treatment exceeds \$400, or a 30 days’ supply if the product exceeds \$400.

Pharmacy service administrative organizations are required to report the top twenty-five most frequently dispensed drug products; the twenty-five most costly drug products by annual spending; and, twenty-five drug products with highest increase in total annual spending compared to previous year. An evaluation on the effect that the cost of prescription drug products has on health care premiums will be submitted.

Pharmacy benefit managers (PBM) are to report the aggregate rebates and fees collected from manufacturers, the aggregate dollar amount of the rebates that were passed onto authorized health insurers, consumers at point of sale or retained by the PBM.

FISCAL IMPLICATIONS

HB 33 will require the HSD agency to submit data to OSI as a pharmacy service administrative organization and to ensure data is submitted from the contracted pharmacy benefit manager. This would require an additional 0.5 FTE, of staff time from a pharmacy technician or pharmacist for the data collection, verification, and submission to OSI resulting in an additional \$33,000 in GF need for this position.

One hundred thousand dollars are to be appropriated from the general fund for the Office of Superintendent of Insurance for expenditures to assess drug pricing and rebate data submitted in fiscal years 2025 and 2026 and any unexpended or unencumbered balance left at the end of fiscal year 2026 shall revert to the general fund. Reports shall be presented to the Legislative Finance Committee, Legislative Health, and Human Services Committee, in an annual public meeting and made public on the superintendent's website.

SIGNIFICANT ISSUES

HSD's PBM will be required to submit data requested from the superintendent by May 1, 2025, and annually thereafter.

PERFORMANCE IMPLICATIONS

HSD's PBM and MCO contracts would all have to be revised to reflect the new requirement.

ADMINISTRATIVE IMPLICATIONS

HSD shall be required to comply with HB033 and ensure reporting requirements.

No IT impact.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None but note that HB033 is related to HB666 from the First Legislative Session of 2003.

TECHNICAL ISSUES

None for HSD

OTHER SUBSTANTIVE ISSUES

HSD currently collects manufacture pricing data for HB 666.

These measures might undermine or cause revision to existing contracts between the various covered entities.

ALTERNATIVES

None for HSD

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

AMENDMENTS

None