Committee Report

CONSENT CALENDAR

March 6, 2018

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Committee on Commerce and Consumer Affairs to which was referred HB 1741,

AN ACT relative to payments for covered prescription medications under the managed care law. Having considered the same, report the same with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.

Rep. Edward Butler

FOR THE COMMITTEE

Original: House Clerk

Cc: Committee Bill File

COMMITTEE REPORT

Committee:	Commerce and Consumer Affairs
Bill Number:	HB 1741
Title:	relative to payments for covered prescription medications under the managed care law.
Date:	March 6, 2018
Consent Calendar:	CONSENT
Recommendation:	OUGHT TO PASS WITH AMENDMENT 2018-0719h

STATEMENT OF INTENT

This bill and its amendment simply put in statute an administrative rule adopted by the Insurance Department to allow and empower pharmacists to charge the least amount for pharmaceuticals.

Vote 17-0.

Rep. Edward Butler FOR THE COMMITTEE

Original: House Clerk

Cc: Committee Bill File

CONSENT CALENDAR

Commerce and Consumer Affairs

HB 1741, relative to payments for covered prescription medications under the managed care law. OUGHT TO PASS WITH AMENDMENT.

Rep. Edward Butler for Commerce and Consumer Affairs. This bill and its amendment simply put in statute an administrative rule adopted by the Insurance Department to allow and empower pharmacists to charge the least amount for pharmaceuticals. Vote 17-0.

Original: House Clerk

Cc: Committee Bill File

Stapler, Carol

From:

John B Hunt <jbhunt@prodigy.net>

Sent:

Thursday, February 22, 2018 8:07 PM

To:

Smarling, Pam; Stapler, Carol

Subject:

Fwd: 1741 blurb

Attachments:

HB1741 - blurb.docx; ATT00001.htm



Begin forwarded message:

From: "Ed Butler" < edofthenotch@gmail.com >

Subject: 1741 blurb

Date: February 22, 2018 at 3:37:15 PM EST

To: "John B Hunt" < ibhunt@prodigy.net>, "Stapler, Carol" < Carol.Stapler@leg.state.nh.us>

HB1741: OTPA; This bill and its amendment simply puts in statute an INS rule to allow and empower pharmacists to charge the least amount for pharmaceuticals.

EXECUTIVE SESSION on HB 1741

BILL TITLE:

(New Title) relative to a definition of "contracted copayment" for purposes of the

managed care law.

DATE:

February 21, 2018

LOB ROOM:

302

MOTIONS:

OUGHT TO PASS WITH AMENDMENT

Moved by Rep. Butler

Seconded by Rep. Biggie

AM Vote: 17-0

Amendment # 2018-0719h

Moved by Rep. Butler

Seconded by Rep. Biggie

Vote: 17-0

CONSENT CALENDAR: YES

Statement of Intent:

Refer to Committee Report

Respectfully submitted,

Rep Valerie Fraser, Clerk

EXECUTIVE SESSION on HB 1741

BILL IIILE:	care law.	ents for covered prescription medi-	catio	ns under the managed
DATE:	20 T8 2	121.18		
LOB ROOM:	302			
MOTION: (Plea	ase check one box	x)		
OTP	\square ITL	☐ Retain (1st year)		Adoption of 0719
	0	☐ Interim Study (2nd year)		Amendment # 0719 (if offered)
Moved by Rep	Butler	☐ Interim Study (2nd year) Seconded by Rep. ☐ ☐ ☐ ☐	ie	Vote: 17-D
MOTION: (Plea	ase check one box	x)		
□ OTP X	OTP/A □ ITL	☐ Retain (1st year)		Adoption of
'	_	☐ Interim Study (2nd year)		Amendment # (if offered)
Moved by Rep	Butles	Seconded by Rep. Project	R	Vote: <u>17-10</u>
MOTION: (Plea	ase check one box	x)		
□ OTP □ 0	OTP/A □ ITL	☐ Retain (1st year)		Adoption of
		☐ Interim Study (2nd year)		Amendment # (if offered)
Moved by Rep		Seconded by Rep.		Vote:
MOTION: (Plea	ase check one box	s)		
□ OTP □ 0	OTP/A 🗆 ITL	☐ Retain (1st year)		Adoption of
		☐ Interim Study (2nd year)		Amendment # (if offered)
Moved by Rep		Seconded by Rep.		Vote:
	CONSENT C	CALENDAR: YES _		NO
Minority Repor	t? Yes	No If yes, author, Rep:		Motion
R	espectfully submitt	ed: Vaui Va Rep Valerie	<u>J</u> Fras	er, Clerk



STATE OF NEW HAMPSHIRE OFFICE OF THE HOUSE CLERK

1/5/2018 10:27:29 AM Roll Call Committee Registers Report

2018 SESSION

COMMERCE		4.
Bill #: #B 1741 Title: 10.40	Payments for consider piece	ription
PH Date: 1/17/18 medic	ations with the naturagest	laze laus
Motion: GTP-A	Amendment #:	
MEMBER	YEAS	<u>NAYS</u>
Hunt, John B. Chariman		
Biggie, Barbara Vice Chairman		
Fraser, Valerie Clerk		
Fromuth, Bart		
Sanborn, Laurie J.		
Ferreira, Elizabeth		
Osborne, Jason M.	. /	
Costable, Michael		
Plumer, John R.		
Schwaegler, Vicki	1,	
Panasiti, Reed A.	V ,	
Butler, Edward A.		
Gidge, Kenneth N.		
Williams, Kermit R.		
Abel, Richard M.		
Luneau, David		
McBeath, Rebecca		
Bartlett, Christy D.		
Fontneau, Timothy		
Van Houten, Connie		
TOTAL VOTE:		
Rep. J W	7 willin	
Rep J W Rep P. X	rullin / Lee)
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STATE OF NEW HAMPSHIRE OFFICE OF THE HOUSE CLERK-

1/5/2018 10:27:29 AM Roll Call Committee Registers Report

2018 SESSION

Bill #: 1741 Title: Say ments	for covered prescription	nedication
PH Date: 1,17,18 the Managhe	Cale Exec Session Date:	21,18
Motion: OTP	Amendment #:	19
<u>MEMBER</u>	YEAS	<u>NAYS</u>
Hunt, John B. Chariman		
Biggie, Barbara Vice Chairman	V,	
Fraser, Valerie Clerk		
Fromuth, Bart		
Sanborn, Laurie J.		
Ferreira, Elizabeth		
Osborne, Jason M.		:
Costable, Michael		·
Plumer, John R.		:
Schwaegler, Vicki		:
Panasiti, Reed A.		,
Butler, Edward A.	$\sqrt{}$	
Gidge, Kenneth N.		:
Williams, Kermit R.	√ .	,
Abel, Richard M.		
Luneau, David		:
McBeath, Rebecca	:	•
Bartlett, Christy D.		
-ontneau, Timothy		
Van Houten, Connie		
TOTAL VOTE:		
Rep. J. Mulli	N .	
Rep P. Kler	e V	

Rep. Butler, Carr. 7 February 20, 2018 2018-0719h 01/10

Amendment to HB 1741

1	Amend the title of the bill by replacing it with the following:
2	
3 4 5	AN ACT relative to a definition of "contracted copayment" for purposes of the managed care law.
6	Amend the bill by replacing all after the enacting clause with the following:
7	
8	1 Managed Care Law; Definitions. Amend RSA 420-J:3, X-a to read as follows:
9	X-a. "Contracted copayment" means a fixed amount an individual is responsible to
10	pay for covered prescriptions as set forth in the health benefit plan, or the price for filling
11	the prescription as contracted between the health carrier or its pharmacy benefits
12	manager and the pharmacy, whichever is less.
13	X-b. "Contracted pharmacy" or "pharmacy" means a pharmacy participating in the network
14	of a pharmacy benefit manager through a direct contract or through a contract with a pharmacy
15	services administration organization or group purchasing organization.
16	2 Effective Date. This act shall take effect 60 days after its passage.

Amendment to HB 1741 - Page 2 -

2018-0719h

AMENDED ANALYSIS

This bill establishes a definition of "contracted copayment" for the purposes of the managed care law.

1.12

Sub-Committee Minutes

SUBCOMMITTEE WORK SESSION on HB 1741

BILL TITLE:

(New Title) relative to a definition of "contracted copayment" for purposes of the

managed care law.

DATE:

February 20, 2018

<u>Subcommittee Members</u>: Reps. Hunt, Biggie, Fraser, Fromuth, Sanborn, Ferreira, Osborne, Costable, Plumer, Schwaegler, Panasiti, Butler, Gidge, Williams, Abel, Luneau, McBeath, Bartlett, Fontneau and Van Houten

Comments and Recommendations: Wednesday new amendment will be ready.

Respectfully submitted,

Rep. John Hunt Subcommittee Chairman

SUBCOMMITTEE WORK SESSION on HB 1741

DILL IIILE:	care law.	for covered prescription medications und	er the managed
DATE: J-Z	10-18		
	Schwaegler, Butler, (Hunt, Biggie, Fromuth, Sanborn, Ferreira Jidge, Williams, Abel, Luneau, McBeath, l	
	ecommendations:	Wed. New o	imah A
MOTIONS:	OTP, OTP/A, ITL, R	etained (1st Yr), Interim Study (2nd Yr) (Please circle one)	
Moved by Rep	<u> </u>	Seconded by Rep.	AM Vote:
Adoption of	f Amendment #		
Moved by Rep		Seconded by Rep.	Vote:
A	mendment Adopted	Amendment Failed	
MOTIONS:	OTP, OTP/A, ITL, R	etained (1st Yr), Interim Study (2nd Yr) (Please circle one)	
Moved by Rep		Seconded by Rep.	AM Vote:
Adoption of	Amendment#		
Moved by Rep		Seconded by Rep.	Vote:
A	mendment Adopted	Amendment Failed	
	R	espectfully submitted,	
		•	

Subcommittee Chairman/Clerk

SUBCOMMITTEE WORK SESSION on HB 1741

BILL TITLE:

(New Title) relative to a definition of "contracted copayment" for purposes of the

managed care law.

DATE:

January 30, 2018

Subcommittee Members:

Reps. Biggie, Schwaegler, Butler, Abel and Fraser

<u>Comments and Recommendations</u>: Awaiting more information for subcommittee to consider two different languages; waiting for amendment.

Respectfully submitted,

Rep. Barbara Biggie Subcommittee Clerk

SUBCOMMITTEE WORK SESSION on HB 1741

DILL HILE:	care law.	s for covered prescription medications unde	er the managed
DATE: /30-	-18		
Subcommittee M Costable, Plumer, Van Houten and	Schwaegler, Butler, (Hunt, Biggie, Fromuth, Sanborn, Ferreira Gidge, Williams, Abel, Luneau, McBeath, I	, Osborne, Bartlett, Fontneau,
Comments and	Recommendations:	- n	N
await	ing more in	termation far solver	ommetter
to a	proider 1	two different langu.	arge,
Waiting	for an amoun		
MOTIONS: Moved by Rep.	OTP, OTP/A, ITL, R	detained (1st Yr), Interim Study (2nd Yr) (Please circle one) Seconded by Rep.	AM Vote:
_	of Amendment#		
Moved by Rep		Seconded by Rep.	Vote:
	Amendment Adopted	Amendment Failed	
MOTIONS:	OTP, OTP/A, ITL, R	etained (1st Yr), Interim Study (2nd Yr) (Please circle one)	
Moved by Rep		Seconded by Rep.	AM Vote:
Adoption o	of Amendment#		
Moved by Rep		Seconded by Rep.	Vote:
	Amendment Adopted	Amendment Failed	

Respectfully submitted,

Subcommittee Chairman/Clerk

SUBCOMMITTEE WORK SESSION on HB 1741

BILL TITLE:

(New Title) relative to a definition of "contracted copayment" for purposes of the

managed care law.

DATE:

February 21, 2018

<u>Subcommittee Members</u>: Reps. Hunt, Biggie, Fraser, Fromuth, Sanborn, Ferreira, Osborne, Costable, Plumer, Schwaegler, Panasiti, Butler, Gidge, Williams, Abel, Luneau, McBeath, Bartlett, Fontneau and Van Houten

Comments and Recommendations:

MOTIONS:

OUGHT TO PASS WITH AMENDMENT

Moved by Rep. Butler

Seconded by Rep. Biggie

AM Vote: 7-0

Amendment # 2018-0719h

Moved by Rep. Butler

Seconded by Rep. Biggie

Vote: 7-0

Respectfully submitted,

Rep. John Hunt Subcommittee Chairman

SUBCOMMITTEE WORK SESSION on HB 1741

BILL TITLE:

relative to payments for covered prescription medications under the managed

DATE: 2-21-18				
Subcommittee Members: Reps. Hunt, Biggie, Fraser, Fromuth, Sanborn, Ferreira, Osborne, Costable, Plumer, Schwaegler, Panasiti, Butler, Gidge, Williams, Abel, Luneau, McBeath, Bartlett, Fontneau and Van Houten				
Comments and Recommendations:				
MOTIONS: OTP, OTPIA, ITL, Retained (1st Yr), Interim Study (2nd Yr) (Please circle one)				
Moved by Rep. Button Seconded by Rep. Biggie Adoption of Amendment # 719 H	AM Vote: 2 - 2			
Adoption of Amendment # 719 H Moved by Rep. Seconded by Rep. Biggs	Vote: 2-0			
Amendment Adopted Amendment Failed				
MOTIONS: OTP, OTP/A, ITL, Retained (1st Yr), Interim Study (2nd Yr) (Please circle one)				
Moved by Rep Seconded by Rep	AM Vote:			
Adoption of Amendment #				
Moved by Rep Seconded by Rep	Vote:			
Amendment Adopted Amendment Failed				
Respectfully submitted,				
00.165				

Rep. Butler, Carr. 7 February 20, 2018 2018-0719h 01/10

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12	manager and the pharmacy, whichever is less.
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Amendment to HB 1741 - Page 2 -

2018-0719h

AMENDED ANALYSIS

This bill establishes a definition of "contracted copayment" for the purposes of the managed care law.

Hearing Minutes

PUBLIC HEARING ON HB 1741

BILL TITLE: relative to payments for covered prescription medications under the

managed care law.

DATE: January 17, 2018

LOB ROOM: 302 Time Public Hearing Called to Order: 10:00 am

Time Adjourned: 10:14 am

Committee Members: Reps. Hunt, Biggie Fromuth, Sanborn, Ferreira, Osborne, Costable, Plumer, Schwaegler Panasiti, Butler Gidge Williams, Abel Luneau, McBeath, Bartlett, Fontneau, Van Houten and Fraser

Bill Sponsors:

Rep. Butler Rep. Rosenwald

Rep. Williams

Rep. Fothergill

Rep. Knirk

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep Ed Butler, prime sponsor — Requests Interim Study on this bill. It is possible that insured can be charged more than that they need to be for drugs. There is a rule that the NH Department of Insurance has that can be used to ensure that consumers get the lowest price for prescription drug dispensed to them. Seems more prudent to study the issues and review the rule — prior to enacting a statute — to see if a statute is needed. So I am recommending Interim Study.

Tyler Brannan, NH Dept. of Insurance - Issue of how claims are being processed by carriers. For instance, if an insured has a \$25 copay - and the cost of the drug is only \$20— what does the patient pay? NH Statute says the insured pays "usually and customary" so some pharmacies charge the \$20 which is the usual price for this drug, but other pharmacy's say \$25 copay is what the insured contracted to pay for drug so that's the "usually and customary" cost. So to the extent that we have a rule in place we expect that the carriers will follow giving the lowest charge to consumers — There is some ambiguity here, but for the most part DOI believes that the insured are paying the lowest price for their prescriptions.

Q: Rep. Richard Abel – Would you believe, my wife and I take the same medication, and we have different policies, we use the same pharmacy, and pay different prices for same drug.

A: Yes. I believe it.

Q: Chairman John Hunt - How do you track it when it goes wrong?

A: Track it when consumer complains, and when the DOI does its compliance audits.

Chairman Hunt — I do it through even #'s. If I get charged \$.00, it's suspicious, if its \$.89 then I know its OK.

Q: Rep. David Luneau - If you are a member of the NH State health care plan
A: In most cases no. But even when it does not apply to self-insured population — it may because the size of the self-insured varies.

Q: Chairman Hunt- Some ERISA plans. State plan is free to use anything they want, correct? A: Mr. Brannon – Yes, but we are using Anthem and Express Scripts. State opts in – but not for hearing aids and other ???

Blue Sheet: 2 Pro,) Con

Respectfully Submitted:

Rebecca McBeath, Acting Clerk

PUBLIC HEARING ON HB 1741

BILL TITLE:

relative to payments for covered prescription medications under the

managed care law.

DATE:

January 17, 2018

LOB ROOM:

302

Time Public Hearing Called to Order:

10:00 am

Time Adjourned: 1):41 am 10.14/200

Committee Members: Reps. Hunt, Biggie, Fromuth, Sanborn, Ferreira, Osborne, Costable, Plumer, Schwaegler, Panasiti, Butler, Gidge, Williams, Abel, Luneau, McBeath, Bartlett, Fontneau, Van Houten and Fraser

Bill Sponsors:

Rep. Butler

Rep. Rosenwald

Rep. Williams

Rep. Fothergill

Rep. Knirk

TESTIMONY

Use asterisk if written testimony and/or amendments are submitted.

Rep Ed Butler, prime sponsor – Requests Interim Study on this bill. It is possible that insured can be charged more than that they need to be for drugs. There is a rule that the NH Department of Insurance has that can be used to ensure that consumers get the lowest price for prescription drug dispensed to them. Seems more prudent to study the issues and review the rule - prior to enacting a statute - to see if a statute is needed. So I am recommending Interim Study.

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Q: Chairman John Hunt - How do you track it when it goes wrong?

A: Track it when consumer complains, and when the DOI does its compliance audits.

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Q: Rep. David Luneau - If you are a member of the NH State health care plan
A: In most cases no. But even when it does not apply to self-insured population – it may because the size of the self-insured varies.

Q: Chairman Hunt- Some ERISA plans. State plan is free to use anything they want, correct? A: Mr. Brannon – Yes, but we are using Anthem and Express Scripts. State opts in – but not for hearing aids and other ???

Blue Sheet: 2 Pro,) Con

Respectfully Submitted:

Rebecca McBeath, Acting Clerk

PUBLIC HEARING ON HB 1791-FN 1741

BILL TITLE:	allowing pharmacis drugs under the ma		tion relative to lower cost
DATE:	1-17-18		
ROOM:	302	Time Public Hearing	g Called to Order: <u> 10,00 AM</u> Time Adjourned: <u> 10 ! 14</u> AV
			Time Adjourned: 10'. 1941
	8 4 3 1 (D)	ease circle if present)	
Costable, Plume	bers: Reps. Hunt, B r, Schwaegler, Butle louten and Fraser	r, Gidge, Williams, Abe	rn, Ferreira, Osborne, Luneau, McBeath, Bartlett,
<u>Bill Sponsors</u> : Rep. Butler Rep. Fothergill	Rep. R Rep. K	osenwald nirk	Rep. Williams
		TESTIMONY	
* Use asterisk if	written testimony and	or amendments are subr	nitted.
Rep. Ed	Butler Prin	ne Sponsor	
Tyler F	Braman, N'	ne Sponsor H Dept. of Ins	woul
	and the second s		

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Market 1984			
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SIGN UP SHEET

To Register Opinion If Not Speaking

	Bill # #8 1741 Date 1-17-18						
	Bill # HB 1741 Date 1-17-18 Committee Commerce: CA						
	** Please Print All Information **						
	Name Address Phone Representing	Pro	k one)				
*	Holly Stevens Congret NH New Fatures Stephen Marmaras Upper Dyach Dy Global Healthy Livin	9 5					
	Foundation)					

Testimony

Global Healthy Living Foundation 515 North Midland Avenue Upper Nyack, New York 10960 USA +1 845 348 0400 +1 845 340 0210 fax www.ghlf.org

TESTIMONY - STATE PBM CLAWBACK LEGISLATION

New Hampshire General Court

Public Hearing for House Bills 1741 & 1791

Speaker:

Stephen Marmaras

Director, State and National Advocacy Global Healthy Living Foundation

December 12, 2017

Disclosure: I have no disclosures to make regarding my travel here today. The Global Healthy Living Foundation accepts grants and charitable contributions from pharmaceutical companies, the government, private foundations and individuals. We have received scientific briefings from pharmaceutical companies, as well as from our independent medical advisory board.

Good Morning Mr. Chairman and committee members.

My name is Stephen Marmaras. I am the Director of State and National Advocacy for the Global Healthy Living Foundation and I am speaking on behalf of the more than 100,000 chronically ill patients, including your fellow New Hampshire residents, whom we represent. I want to thank you for allowing me to speak today in support of the passage of House Bills 1741 & 1791, regulating PBM "clawbacks". These bills significantly reduce health care spending and put the patient first by ending a little known but deceptive practice often used by pharmacy benefit managers to profit from over-charging enrollees for their prescription medicines.

One of the key factors in our increasingly complex health care system is the rise of Pharmacy Benefit Managers, or PBMs. PBMs are middlemen, paid by insurance companies to develop their formularies. However, pharmaceutical companies will often give PBMs rebates in exchange for inclusion on a formulary meaning that PBMs are paid twice. In order to cover these costs, pharmaceutical companies and insurance companies both raise their prices, placing the burden on the patient.

Current legislation allows for "clawbacks" which drastically increase healthcare spending. Under these schemes a patient goes to a pharmacy to fill a prescription and is charged a copayment that may be more than if the patient were to pay without using their insurance. The pharmacist is reimbursed at the normal rate, but is contractually obligated to send the over-charged "clawback" to the PBM. Current legislation also allows for a gag order preventing pharmacists from disclosing the price discrepancy, greatly restricting the patient's autonomy. While the PBMs profit, pharmacists are bound to aid without realizing any of their own benefits, and patients suffer significant financial burdens.

Passage of HB 1741 or HB 1791 would put an end to this and ensure that patients receive their treatment at the lowest cost possible. If a PBM or insurance plan has a higher cost-sharing requirement than the customary price for cash costumers, the pharmacist shall inform the customer of the difference between available payment options. This ends the deceptive practice of PBM "clawbacks" once and for all, saving patients, insurers and the health care system money, while preventing PBMs from interfering with pharmacists' ability to provide high quality, efficient care for the patients they serve.

HB 1741 and HB 1791 keep patients at the center of health care decisions, allow pharmacists to practice to the full extent of their licensure, and significantly reduce healthcare spending. We hope that you will offer your support for these pro-patient common sense bills. Thank you for your time and consideration.

Respectfully,

Stephen Marmaras

Director, State and National Policy Global Healthy Living Foundation

Style Sund



Bill as Introduced

HB 1741 - AS INTRODUCED

2018 SESSION

18-2684 01/10

HOUSE BILL

1741

AN ACT

relative to payments for covered prescription medications under the managed

care law.

SPÓNSORS:

Rep. Butler, Carr. 7; Rep. Rosenwald, Hills. 30; Rep. Williams, Hills. 4; Rep.

Fothergill, Coos 1; Rep. Knirk, Carr. 3

COMMITTEE:

Commerce and Consumer Affairs

ANALYSIS

This bill allows an insured to pay the least amount for covered prescription medication under the managed care law.

Explanation:

Matter added to current law appears in bold italics.

Matter removed from current law appears [in brackete and otruckthrough.]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Eighteen

AN ACT

14

relative to payments for covered prescription medications under the managed care law.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 New Paragraph; Managed Care Law; Payments for Covered Prescription Medication. Amend 1 RSA 420-J:8 by inserting after paragraph XV the following new paragraph: 2 XVI.(a) After January 1, 2019, no health carrier or pharmacy benefits manager shall 3 require an individual to make a payment at the point of sale for a covered prescription medication 4 5 in an amount greater than the lesser of: 6 (1) The applicable copayment for such prescription medication; (2) The allowable claim amount for the prescription medication; or 7 (3) The amount an individual would pay for the prescription medication if the 8 individual purchased the prescription medication without using a health benefit plan, or any other 9 source of prescription medication benefits or discounts. 10 11 (b) For the purposes of this paragraph, "allowable claim amount" means the amount the health carrier or pharmacy benefits manager has agreed to pay the pharmacy for the prescription 12 13 medication.

2 Effective Date. This act shall take effect 60 days after its passage.