

SB 395 PBM OVERSIGHT ACT

Senator Greg Hertz



Health Plan



- Collects premium from enrollees
- Contracts with PBM to process pharmacy claims for enrollees

Pharmacy Benefit Manager

- Collects payment from health plans for services
- Creates drug formulary and maximum allowable cost list
- Reimburses pharmacies



Pharmacy/Pharmacist

- Purchases Rx drugs from wholesaler
- Distributes prescription to enrollees
- Receives reimbursement from PBMs/ Pays money back to PBMs

Pharmaceutical Manufacturer



- Sets drug pricing
- Provides rebates to PBMs in order to get on the health plan formulary

PBMs determine how prescription drugs are reimbursed with little oversight in Montana. SB 395 provides oversight without unnecessary regulation.

OVERSIGHT

Section 3. PBMs will be required to be licensed by the CSI on January 1, 2022.

Sections 13-23. Applies existing statutes on PBM practices to all types of health insurance regulated by the CSI, the state health plan and workers comp plans.

TRANSPARENCY

Section 3. PBMs will have to disclose their business relationships. Many PBMs own pharmacies and other players in the distribution chain and are also owned by pharmacies and health plans.

Section 6 and 7. Requires PBMs to provide annual reports to the health plan that the PBM contracts with and the CSI about the acquisition cost of the drugs and rebate collected.

RESTRICTS UNREASONABLE PRACTICES

Section 4. Allows pharmacists to give their patients accurate information on their prescription drug coverage and the cost to the pharmacy.

For more information, call Jackie Jones, Government Relations, 406-594-0188