

House File 526 - Introduced

HOUSE FILE 526
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 46)

A BILL FOR

1 An Act relating to price transparency and cost-sharing for
2 prescription drugs, and including applicability provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 510D.1 Definitions.

2 As used in this chapter, unless the context otherwise
3 requires:

4 1. "*Commissioner*" means the commissioner of insurance.

5 2. "*Dispenser*" means the same as defined in 21 U.S.C.
6 §360eee(3).

7 3. "*Established name*" means the same as defined in 21 C.F.R.
8 299.4.

9 4. "*Health benefit plan*" means the same as defined in
10 514J.102.

11 5. "*Pharmaceutical drug manufacturer*" or "*manufacturer*" means
12 any person engaged in the business of producing, preparing,
13 converting, processing, packaging, labeling, or distributing
14 a prescription drug. "*Pharmaceutical drug manufacturer*" or
15 "*manufacturer*" does not include a wholesale distributor or a
16 dispenser.

17 6. "*Prescription drug*" means the same as defined in 21
18 U.S.C. §360eee(12).

19 7. "*Wholesale acquisition cost*" or "*cost*" means a
20 manufacturer's list price for a prescription drug for
21 wholesalers or direct purchasers in the United States, not
22 including prompt pay or other discounts, rebates, or reductions
23 in price, for the most recent month for which the information
24 is available, as reported in wholesale price guides or other
25 publications of drug or biological pricing data.

26 8. "*Wholesale distributor*" means the same as defined in 21
27 U.S.C. §360eee(29).

28 Sec. 2. NEW SECTION. 510D.2 Pharmaceutical drug
29 manufacturers — annual report.

30 Each manufacturer shall provide an annual report by
31 February 15 to the commissioner, in a format prescribed
32 by the commissioner, that contains the current wholesale
33 acquisition cost for each prescription drug manufactured by the
34 manufacturer that was sold to a person in this state in the
35 immediately preceding calendar year. Within thirty calendar

1 days of receipt, the commissioner shall publish the information
2 received by the commissioner on a publicly accessible internet
3 site.

4 Sec. 3. NEW SECTION. 510D.3 Wholesale acquisition cost
5 increase — report.

6 1. If a prescription drug sold to a person in this state
7 has a wholesale acquisition cost of one hundred dollars or more
8 for a thirty-day supply and the cost increases forty percent
9 or more over the three preceding consecutive calendar years,
10 or increases fifteen percent or more in the preceding calendar
11 year, the manufacturer of the prescription drug shall file a
12 report with the commissioner within thirty calendar days of the
13 date on which the forty percent or the fifteen percent increase
14 in the cost occurs. The report shall be in the form and manner
15 prescribed by the commissioner and shall include all of the
16 following information:

17 a. The established name of the prescription drug.

18 b. All brand names, generic names, proprietary names, and
19 nonproprietary names for the prescription drug, as applicable.

20 c. The aggregate manufacturer-level research and development
21 costs related to the prescription drug for the most recent
22 calendar year for which third-party independent audit data for
23 manufacturer-level research and development costs is available.

24 d. All established names, brand names, generic names,
25 proprietary names, and nonproprietary names for each
26 prescription drug manufactured by the manufacturer that
27 received approval from the United States food and drug
28 administration in the immediately preceding three consecutive
29 calendar years.

30 e. All established names, brand names, generic names,
31 proprietary names, and nonproprietary names for each
32 prescription drug manufactured by the manufacturer for which
33 a patent or exclusivity expired in the immediately preceding
34 three consecutive calendar years.

35 f. A statement detailing the factor or factors that played

1 any role in the increase in cost of the prescription drug
2 and an explanation for the factor or factors' impact on the
3 increase in cost of the prescription drug.

4 *g.* The aggregate manufacturer-level direct and
5 administrative costs related to marketing and advertising of
6 the prescription drug for the immediately preceding calendar
7 year.

8 2. All information and data a manufacturer submits to the
9 commissioner must be consistent in detail and quality with the
10 information and data submitted in the manufacturer's annual
11 report filed with the United States securities and exchange
12 commission on form 10-k.

13 3. *a.* Information provided by a pharmaceutical drug
14 manufacturer to the commissioner pursuant to this section
15 that may reveal any of the following as related to a specific
16 prescription drug or class of prescription drugs shall
17 be considered a confidential record, and be recognized
18 and protected as a trade secret pursuant to section 22.7,
19 subsection 3:

20 (1) The amount the manufacturer charges a specific health
21 carrier, specific pharmacy benefit manager, or a specific
22 dispenser.

23 (2) The dollar value of the rebates the manufacturer
24 provides a specific health carrier, specific pharmacy benefit
25 manager, or a specific dispenser.

26 (3) The identity of a specific health carrier, specific
27 pharmacy benefit manager, or a specific dispenser.

28 *b.* Within sixty calendar days of receipt of the information
29 pursuant to this section, the commissioner shall publish all
30 nonconfidential information received by the commissioner on the
31 same publicly accessible internet site referenced in section
32 510D.2.

33 **Sec. 4. NEW SECTION. 510D.4 Rules.**

34 The commissioner shall adopt rules pursuant to chapter 17A
35 as necessary to administer this chapter.

1 Sec. 5. NEW SECTION. 510D.5 **Summary enforcement.**

2 1. Upon a determination by the commissioner that a
3 manufacturer or manufacturer's agent has engaged, is engaging,
4 or is about to engage in any act or practice in violation of
5 this chapter, a rule adopted by the commissioner, or an order
6 issued by the commissioner under this chapter, the commissioner
7 may do any of the following:

8 *a.* Issue a summary order, including a brief statement
9 of findings of fact and conclusions of law, and direct the
10 manufacturer or manufacturer's agent to cease and desist from
11 engaging in the act or practice.

12 *b.* Take other affirmative action that in the judgment of
13 the commissioner is necessary to ensure that the manufacturer
14 or manufacturer's agent comply with this chapter, and rules
15 adopted and orders issued by the commissioner under this
16 chapter.

17 2. *a.* A manufacturer or manufacturer's agent that has
18 been issued a summary order under this section may contest
19 the order by filing a request for a contested case proceeding
20 and hearing as provided in chapter 17A, and in accordance
21 with rules adopted by the commissioner. The manufacturer or
22 manufacturer's agent shall have at least thirty calendar days
23 from the date that the summary order is issued to file the
24 request. If a hearing is not timely requested, the summary
25 order shall be final by operation of law.

26 *b.* Section 17A.18A shall not apply to a summary order issued
27 under this section.

28 *c.* A summary order issued pursuant to this section shall
29 remain effective from the date of issuance unless overturned by
30 a final decision of a presiding officer or by a final judgment
31 of the court.

32 3. A manufacturer or manufacturer's agent violating
33 a summary order issued under this section shall be deemed
34 in contempt of that order. The commissioner may petition
35 the district court to enforce the order as certified by

1 the commissioner. The district court shall adjudge the
2 manufacturer or manufacturer's agent in contempt of the order
3 if the court finds after hearing that the manufacturer or
4 manufacturer's agent is not in compliance with the order. The
5 court may assess a civil penalty against the manufacturer or
6 manufacturer's agent of not more than one thousand dollars
7 per day for each day that the manufacturer or manufacturer's
8 agent is in violation of the order. A civil penalty collected
9 pursuant to this section shall be deposited as provided in
10 section 505.7. The court may issue further orders as the court
11 deems appropriate.

12 Sec. 6. NEW SECTION. 510D.6 Enforcement after hearing.

13 1. If, after a hearing and contested case proceeding
14 pursuant to section 510D.5, subsection 2, the commissioner
15 determines that a manufacturer or a manufacturer's agent
16 violated this chapter, a rule adopted by the commissioner, or
17 an order issued by the commissioner under this chapter, the
18 commissioner shall reduce the findings to writing and shall
19 issue and cause to be served upon the manufacturer or the
20 manufacturer's agent all of the following:

21 a. A copy of the commissioner's findings.

22 b. An order requiring the manufacturer or the manufacturer's
23 agent to cease and desist from violating this chapter, a
24 rule adopted by the commissioner, or an order issued by the
25 commissioner under this chapter.

26 2. The commissioner may take other affirmative action that
27 in the judgment of the commissioner is necessary to ensure that
28 the manufacturer or the manufacturer's agent complies with this
29 chapter. The commissioner may also, at the commissioner's
30 discretion, order payment of a civil penalty of not more than
31 five thousand dollars for each violation of this chapter by the
32 manufacturer or the manufacturer's agent.

33 3. A manufacturer or a manufacturer's agent that violates
34 an order of the commissioner, and while such order is in
35 effect, may, after notice and hearing and upon order of the

1 commissioner, be subject to a civil penalty of not more than
2 ten thousand dollars for each violation of the commissioner's
3 order. A manufacturer or a manufacturer's agent violating an
4 order issued by the commissioner under this section shall be
5 deemed in contempt of the order. A civil penalty collected
6 pursuant to this subsection shall be deposited as provided in
7 section 505.7.

8 4. A manufacturer or a manufacturer's agent may seek
9 judicial review of an action of the commissioner pursuant to
10 chapter 17A. To the extent that a decision or order of the
11 commissioner is affirmed in a judicial review proceeding, the
12 court shall issue an order directing that the manufacturer
13 or the manufacturer's agent complies with the terms of the
14 commissioner's decision or order.

15 5. If the period for judicial review of an order of the
16 commissioner has expired and no petition for judicial review
17 has been filed, upon request of the commissioner, the attorney
18 general shall proceed in the district court to enforce the
19 order of the commissioner. The court shall issue an order
20 directing that the manufacturer or the manufacturer's agent
21 comply with the terms of the commission's order.

22 6. Upon request of the commissioner, the attorney general
23 shall petition the district court to enforce an order as
24 certified by the commissioner. The district court shall
25 adjudge a manufacturer or a manufacturer's agent in contempt
26 of the commissioner's order if the court finds after hearing
27 that the manufacturer or the manufacturer's agent is not in
28 compliance with the commissioner's order. For each day of
29 noncompliance, the court may order a civil penalty of not more
30 than one thousand dollars against the manufacturer or the
31 manufacturer's agent and may issue further orders as the court
32 deems appropriate.

33 Sec. 7. NEW SECTION. 510E.1 Definitions.

34 As used in this chapter unless the context otherwise
35 requires:

- 1 1. "*Commissioner*" means the commissioner of insurance.
- 2 2. "*Covered person*" means the same as defined in section
3 514J.102.
- 4 3. "*Dispenser*" means the same as defined in 21 U.S.C.
5 §360eee(3).
- 6 4. "*Health benefit plan*" means the same as defined in
7 section 514J.102.
- 8 5. "*Health care professional*" means the same as defined in
9 section 514J.102.
- 10 6. "*Health carrier*" means the same as defined in section
11 514J.102.
- 12 7. "*Pharmaceutical drug manufacturer*" or "*manufacturer*" means
13 any person engaged in the business of producing, preparing,
14 converting, processing, packaging, labeling, or distributing
15 a prescription drug. "*Pharmaceutical drug manufacturer*" or
16 "*manufacturer*" does not include a wholesale distributor or a
17 dispenser.
- 18 8. "*Prescription drug*" means the same as defined in 21
19 U.S.C. §360eee(12).
- 20 9. "*Prescription drug benefit*" means a health benefit plan
21 providing for third-party payment or prepayment of prescription
22 drugs.
- 23 10. "*Specialty drug*" means a prescription drug that a health
24 carrier has designated as a specialty drug and that has either
25 of the following characteristics:
- 26 a. The United States food and drug administration has
27 designated the prescription drug an orphan drug.
- 28 b. The manufacturer of the prescription drug, or the United
29 States food and drug administration, restricts distribution of
30 the prescription drug to a limited number of distributors.
- 31 11. "*Utilization review*" means the same as defined in
32 section 514F.7.
- 33 12. "*Utilization review organization*" means the same as
34 defined in section 514F.7.
- 35 Sec. 8. NEW SECTION. 510E.2 Health carriers — annual

1 report.

2 1. *a.* Each health carrier shall submit an annual report
3 by February 15 to the commissioner, in the form and manner
4 prescribed by the commissioner, that contains the following
5 information for the immediately preceding calendar year, across
6 all of the health carrier's health benefit plans that offer a
7 prescription drug benefit:

8 (1) The brand name of the twenty-five prescription drugs
9 most frequently covered by the prescription drug benefits
10 offered by the health carrier.

11 (2) The percent increase in annual spending by the health
12 carrier to provide all prescription drug benefits offered by
13 the health carrier.

14 (3) The percent increase in premiums paid by covered persons
15 attributable to all prescription drug benefits offered by the
16 health carrier.

17 (4) The percentage of specialty drugs included in all
18 prescription drug benefits offered by the health carrier that
19 are subject to utilization review conducted by a utilization
20 review organization.

21 (5) The percent decrease in premiums paid by covered persons
22 attributable to specialty drugs that are subject to utilization
23 review conducted by a utilization review organization that
24 are included in all prescription drug benefits offered by the
25 health carrier.

26 *b.* An authorized insurer or an authorized third-party
27 administrator that administers a multiple employer welfare
28 arrangement pursuant to section 507A.4, subsection 9, paragraph
29 "a", subparagraph (1), shall submit the report required in
30 paragraph "a" on behalf of the multiple employer welfare
31 arrangement that the authorized insurer or the authorized
32 third-party administrator administers.

33 2. Any information a health carrier provides, or an
34 authorized insurer or an authorized third-party administrator
35 provides on behalf of a multiple employer welfare arrangement,

1 to the commissioner pursuant to subsection 1 that may reveal
2 any of the following shall be considered a confidential record,
3 and be recognized and protected as a trade secret pursuant to
4 section 22.7, subsection 3:

5 *a.* The identity of a specific health benefit plan.

6 *b.* The identity of the specific price charged by a specific
7 manufacturer, pharmacy benefit manager, or dispenser for a
8 specific prescription drug or class of prescription drugs.

9 *c.* The dollar value of the rebates a specific manufacturer,
10 a specific pharmacy benefit manager, or a specific dispenser
11 provides to the health carrier.

12 3. Prior to May 1 of each calendar year, the commissioner
13 shall publish the nonconfidential data received by the
14 commissioner pursuant to this section on the same publicly
15 accessible internet site referenced in section 510D.2. The
16 data shall be aggregated from all annual reports submitted
17 pursuant to subsection 1, and the information shall be
18 made available to the public in a format that complies with
19 subsection 2.

20 Sec. 9. NEW SECTION. 510E.3 Rules.

21 The commissioner shall adopt rules pursuant to chapter 17A
22 as necessary to administer this chapter.

23 Sec. 10. NEW SECTION. 510E.4 Summary enforcement.

24 1. Upon a determination by the commissioner that a health
25 carrier or a health carrier's agent has engaged, is engaging,
26 or is about to engage in any act or practice in violation of
27 this chapter, a rule adopted by the commissioner, or an order
28 issued by the commissioner under this chapter, the commissioner
29 may do any of the following:

30 *a.* Issue a summary order, including a brief statement of
31 findings of fact and conclusions of law, and direct the health
32 carrier or health carrier's agent to cease and desist from
33 engaging in the act or practice.

34 *b.* Take other affirmative action that in the judgment
35 of the commissioner is necessary to ensure that the health

1 carrier or health carrier's agent comply with this chapter, and
2 rules adopted and orders issued by the commissioner under this
3 chapter.

4 2. a. A health carrier or health carrier's agent that has
5 been issued a summary order under this section may contest
6 the order by filing a request for a contested case proceeding
7 and hearing as provided in chapter 17A, and in accordance
8 with rules adopted by the commissioner. The health carrier
9 or health carrier's agent shall have at least thirty calendar
10 days from the date that the summary order is issued to file the
11 request. If a hearing is not timely requested, the summary
12 order shall be final by operation of law.

13 b. Section 17A.18A shall not apply to a summary order issued
14 under this section.

15 c. A summary order issued pursuant to this section shall
16 remain effective from the date of issuance unless overturned by
17 a final decision of a presiding officer or by a final judgment
18 of the court.

19 3. A health carrier or health carrier's agent violating
20 a summary order issued under this section shall be deemed
21 in contempt of that order. The commissioner may petition
22 the district court to enforce the order as certified by the
23 commissioner. The district court shall adjudge the health
24 carrier or health carrier's agent in contempt of the order if
25 the court finds after hearing that the health carrier or health
26 carrier's agent is not in compliance with the order. The court
27 may assess a civil penalty against the health carrier or health
28 carrier's agent of not more than one thousand dollars per
29 day for each day that the health carrier or health carrier's
30 agent is in violation of the order. A civil penalty collected
31 pursuant to this section shall be deposited as provided in
32 section 505.7. The court may issue further orders as the court
33 deems appropriate.

34 Sec. 11. NEW SECTION. 510E.5 Enforcement after hearing.

35 1. If, after a hearing and contested case proceeding

1 pursuant to section 510E.4, subsection 2, the commissioner
2 determines that a health carrier or a health carrier's agent
3 violated this chapter, a rule adopted by the commissioner, or
4 an order issued by the commissioner under this chapter, the
5 commissioner shall reduce the findings to writing and shall
6 issue and cause to be served upon the health carrier or the
7 health carrier's agent all of the following:

8 a. A copy of the commissioner's findings.

9 b. An order requiring the health carrier or the health
10 carrier's agent to cease and desist from violating this
11 chapter, a rule adopted by the commissioner, or an order issued
12 by the commissioner under this chapter.

13 2. The commissioner may take other affirmative action that
14 in the judgment of the commissioner is necessary to ensure that
15 a health carrier or a health carrier's agent complies with this
16 chapter. The commissioner may also, at the commissioner's
17 discretion, order payment of a civil penalty of not more than
18 five thousand dollars for each violation of this chapter by a
19 health carrier or a health carrier's agent.

20 3. A health carrier or a health carrier's agent that
21 violates an order of the commissioner, and while such order is
22 in effect, may, after notice and hearing and upon order of the
23 commissioner, be subject to a civil penalty of not more than
24 ten thousand dollars for each violation of the commissioner's
25 order. A health carrier or a health carrier's agent that
26 violates an order issued by the commissioner under this section
27 shall be deemed in contempt of the order. A civil penalty
28 collected pursuant to this subsection shall be deposited as
29 provided in section 505.7.

30 4. A health carrier or a health carrier's agent may seek
31 judicial review of an action of the commissioner pursuant to
32 chapter 17A. To the extent that a decision or order of the
33 commissioner is affirmed in a judicial review proceeding, the
34 court shall issue an order directing that the health carrier
35 or the health carrier's agent comply with the terms of the

1 commissioner's decision or order.

2 5. If the period for judicial review of an order of the
3 commissioner has expired and no petition for judicial review
4 has been filed, upon request of the commissioner, the attorney
5 general shall proceed in the district court to enforce the
6 order of the commissioner. The court shall issue an order
7 directing that the health carrier or the health carrier's agent
8 comply with the terms of the commissioner's order.

9 6. Upon request of the commissioner, the attorney general
10 shall petition the district court to enforce an order as
11 certified by the commissioner. The district court shall
12 adjudge a health carrier or a health carrier's agent in
13 contempt of the commissioner's order if the court finds after
14 hearing that the health carrier or the health carrier's agent
15 is not in compliance with the commissioner's order. For each
16 day of noncompliance, the court may order a civil penalty of
17 not more than one thousand dollars against a health carrier or
18 a health carrier's agent and may issue further orders as the
19 court deems appropriate.

20 Sec. 12. NEW SECTION. 514M.1 Definitions.

21 1. "*Carrier*" means an entity subject to the insurance laws
22 and regulations of this state, or subject to the jurisdiction
23 of the commissioner, that offers at least one health plan in
24 this state.

25 2. "*Cost-sharing requirement*" means any copayment,
26 coinsurance, deductible, or other out-of-pocket expense
27 obligation required of or on behalf of an enrollee in order
28 for the enrollee to receive a specific health care service,
29 including a prescription drug, covered by the enrollee's health
30 plan.

31 3. "*Enrollee*" means an individual who is eligible to obtain
32 health care services under a health plan.

33 4. "*Health care services*" means an item or service for the
34 prevention, treatment, cure, or healing of an illness, injury,
35 or physical disability.

1 5. "Health plan" means a policy, contract, certificate, or
2 agreement offered or issued by a carrier to provide, deliver,
3 arrange for, pay for, or reimburse any of the costs of health
4 care services.

5 6. "Interchangeable biological product" means the same as
6 defined in section 155A.3.

7 7. "Internal Revenue Code" means the Internal Revenue Code
8 as defined in section 422.3.

9 8. "Person" means a natural person, corporation, mutual
10 company, unincorporated association, partnership, joint
11 venture, limited liability corporation, trust, estate,
12 foundation, not-for-profit organization, government or
13 governmental subdivision, or government or governmental agency.

14 9. "Specialty drug" means the same as defined in section
15 510E.1.

16 Sec. 13. NEW SECTION. 514M.2 **Cost-sharing calculation.**

17 1. A carrier shall include all cost-sharing amounts paid by
18 an enrollee, or need-based payments paid by another person on
19 behalf of the enrollee, as part of the carrier's calculation
20 of an enrollee's contribution to the enrollee's applicable
21 cost-sharing requirement. This requirement does not apply
22 to cost-sharing amounts paid by an enrollee, or by another
23 person on behalf of an enrollee, for a specialty drug or a
24 prescription drug for which a medically appropriate A-rated
25 generic equivalent or an interchangeable biological product is
26 available to the enrollee.

27 2. Subsection 1 shall not apply to a state-regulated
28 high-deductible health plan to the extent it results in the
29 plan's failure to qualify as a high-deductible health plan
30 pursuant to section 223 of the Internal Revenue Code.

31 3. If a provision of subsection 1 conflicts with a federal
32 law or regulation as applied to a specific carrier or to a
33 specific circumstance, the provision shall remain in full force
34 and effect for all carriers and in all circumstances in which
35 the federal conflict does not exist.

1 drugs manufactured by the manufacturer that were sold to a
2 person in this state in the immediately preceding calendar
3 year. "Wholesale acquisition cost" or "cost" is defined in the
4 bill as the manufacturer's list price for a prescription drug
5 for wholesalers or direct purchasers in the United States, not
6 including prompt pay or other discounts, rebates, or reductions
7 in price, for the most recent month for which the information
8 is available, as reported in wholesale price guides or other
9 publications of drug or biological pricing data. Within 30
10 calendar days of receipt, the commissioner is required to
11 publish the information from the annual reports on a publicly
12 accessible internet site.

13 If a prescription drug sold to a person in this state
14 has a cost of \$100 or more for a 30-day supply and the cost
15 increases 40 percent or more over the three preceding calendar
16 years, or increases 15 percent or more in the preceding
17 calendar year, the manufacturer of the prescription drug must
18 file a report with the commissioner within 30 calendar days
19 of the date on which the 40 or 15 percent increase in cost
20 occurs. This requirement is applicable to all manufacturers
21 that manufactured prescription drugs that are sold to a
22 person in this state on or after January 1, 2021. The report
23 must include the information detailed in the bill. Certain
24 information provided by a manufacturer, as detailed in the
25 bill, is considered a confidential record and is required
26 to be protected as a trade secret. Within 60 calendar days
27 of receipt, the commissioner is required to publish the
28 nonconfidential information on the same publicly accessible
29 internet site on which the manufacturer's annual report
30 information is published.

31 The bill requires each health carrier to submit an annual
32 report by February 15 to the commissioner that contains
33 information as detailed in the bill across all of the health
34 carrier's health benefit plans. An authorized insurer or
35 an authorized third-party administrator that administers a

1 multiple employer welfare arrangement must submit the required
2 report on behalf of the multiple employer welfare arrangement
3 that the insurer or the third-party administrator administers.
4 This requirement is applicable to all health benefit plans
5 providing for third-party payment or prepayment of health or
6 medical expenses that provide a prescription drug benefit that
7 have been delivered, issued for delivery, continued, or renewed
8 in this state on or after January 1, 2021. "Health carrier" is
9 defined in the bill as an entity subject to the insurance laws
10 and regulations of this state, or subject to the jurisdiction
11 of the commissioner, including an insurance company offering
12 sickness and accident plans, a health maintenance organization,
13 a nonprofit health service corporation, a plan established
14 pursuant to Code chapter 509A for public employees, or any
15 other entity providing a plan of health insurance, health
16 care benefits, or health care services. As detailed in the
17 bill, certain information provided by a health carrier, or an
18 authorized insurer or an authorized third-party administrator
19 on behalf of a multiple employer welfare arrangement, is
20 considered a confidential record and must be protected as a
21 trade secret. Prior to May 1 of each year, the commissioner
22 must publish the nonconfidential data received by the
23 commissioner on the same publicly accessible internet site on
24 which the manufacturers' information is published. The data
25 must be aggregated from the annual reports submitted by all
26 health carriers.

27 The bill directs the commissioner to adopt rules as
28 necessary to administer the requirements outlined in the
29 bill. The bill details the commissioner's authority, and
30 the process to enforce that authority, for manufacturers',
31 manufacturers' agents', health carriers' or health carriers'
32 agents' violations of a provision of the bill, a rule adopted
33 by the commissioner, or of an order issued by the commissioner.

34 The bill also allows the commissioner, or the court, to
35 order payment of penalties for certain violations as outlined

1 in the bill. Manufacturers, manufacturer's agents, health
2 carriers, and health carrier's agents may request a contested
3 case proceeding, or seek judicial review of an action of the
4 commissioner, in certain circumstances as detailed in the bill.

5 The bill also requires a carrier to include all cost-sharing
6 amounts paid by an enrollee of a health plan, or by another
7 person on behalf of an enrollee, as part of the carrier's
8 calculation of an enrollee's contribution to the enrollee's
9 applicable cost-sharing requirement. This does not
10 apply to cost-sharing incurred for a specialty drug or a
11 prescription drug for which an A-rated generic equivalent or an
12 interchangeable biological product is available. "Cost-sharing
13 requirement" is defined in the bill as any copayment,
14 coinsurance, deductible, or other out-of-pocket expense
15 obligation required of or on behalf of an enrollee in order
16 for the enrollee to receive a specific health care service,
17 including a prescription drug, covered by the enrollee's health
18 plan. This requirement applies to all health plans delivered,
19 issued for delivery, continued, or renewed in this state on
20 or after January 1, 2022. The bill excludes state-regulated
21 high-deductible health plans (HDHP) from the requirement if
22 it will result in the plan not qualifying as an HDHP under
23 section 223 of the Internal Revenue Code. The bill also
24 prohibits application of the requirement to a carrier or to a
25 circumstance in a manner that will conflict with a federal law
26 or a federal regulation.