

Subject Drug cost at point of sale

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Overview

This bill requires pharmacy benefit managers (PBMs) and health carriers to remit at the point of sale all rebates and other compensation received for a prescription drug to the covered person associated with that drug, to reduce that person's out-of-pocket cost. Requires PMBs under contract with the state employee group insurance program (SEGIP) to comply with this requirement, and requires PBMs and health carriers to report annually on compliance to the commissioner of commerce.

Summary

Section	Description
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1	Responsibility to use compensation for benefit of covered persons.
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Adds § 62W.15.

Subd. 1. Compensation used to reduce point-of-sale costs. (a) Requires a PBM or health carrier to remit all compensation received from a drug manufacturer directly to the covered person associated with a particular prescription drug, at the point of sale, to reduce the covered person's out-of-pocket cost.

(b) Provides that the PBM or health carrier is not required to remit all compensation under paragraph (a), if the covered person's cost-sharing obligation is lower than the out-of-pocket cost after application of paragraph (a). Requires all compensation retained by a PBM or health carrier to be used to offset future premiums or costs for covered persons.

(c) Requires SEGIP contracts with PBMs to require compliance with this section.

Subd. 2. Definitions. Defines "compensation" as any direct or indirect financial benefit, including but not limited to rebates, discounts, and other payments. Defines "cost-sharing obligation" as a covered person's co-payment or coinsurance for a drug.

Section	Description
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	<p>Subd. 3. Report on compliance. Requires a PBM or health carrier, beginning March 1, 2024, and each March 1 thereafter, to file with the commissioner of commerce a report demonstrating how the entity has complied with this section.</p>
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States that this section is effective January 1, 2024.



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