

Senate Medicaid Reform and Transparency

Talking Points for Pharmacists

Overall Ask:

- We ask that all Senators vote in favor of the Medicaid Reform and Transparency House package of bills that passed the House unanimously on 11/20/19 and are currently in the Senate
- We ask all Senate members to vote in favor of the Senate Medicaid Reform and Transparency package of bills (SB 829, SB 825, SB 639 and SB 789)

Fair Reimbursement - House (HB 941 – Rep. Heffley)

Ask your Senator to make sure there is an actual fair payment mechanism for pharmacy in the legislation so that you can continue to serve the most vulnerable patients.

Background: This bill was amended in the House with language that the Department of Human Services agreed to. All of the payment mechanisms were removed.

What does the bill do?

- Enables the Department of Human Services to conduct an audit or review of the contracts with the MCOs and the PBMs as well as gather payment information so they can account for taxpayer dollars
- Once a claim is paid, a PBM or MCO cannot retroactively deny or modify the payment
- The PBM or MCO cannot mandate that a patient use a specific pharmacy if the MCO or PBM has an ownership interest in the pharmacy
- The PBM or MCO cannot provide an incentive to a patient to encourage the use of a specific pharmacy
- The PBM cannot charge or retain the difference between what is billed to the MCO and what is paid to the pharmacies. (spread pricing)
- The PBM cannot charge pharmacy transmissions fees
- Automatically enroll or disenroll a pharmacist without cause in a contract or modify an existing contract without written agreement of the pharmacist
- Prohibits a PBM from giving an incentive or encouraging the use of a specific pharmacy

Fair Reimbursement - Senate (SB 825 – Sen. Ward)

Ask your Senator to vote yes on this bill.

What does the bill do?

- Establishes a standard reimbursement model that has already been studied, verified and implemented in Medicare and Pennsylvania PACE/PACENET
- Enables the Department of Human Services to review contracts with the MCOs and the PBMs as well as gather payment information so they can account for taxpayer dollars
- Allows the Department of Human Services to conduct an audit or review
- Prohibits any confidentiality provision between a pharmacy and an entity that would prohibit the disclosure of information to the Department
- Prohibits a PBM from giving an incentive or encourage the use of a specific pharmacy and requires advanced written approval when there may be conflicts-of-interest

P&T Committee (HB 942 –Rep. Grove)

Ask your Senator to vote yes on this bill. While the Department of Human Services has currently added the two additional community pharmacists, we would like it put into law.

What does the bill do?

- Adds 2 community pharmacists to the pharmaceutical and therapeutics committee (P&T) and allows the Secretary of the Department of Human Services the ability to add more members if needed
- The P&T Committee establishes the drug formulary lists for the Medicaid program

Prohibition of Gag Clauses - House (HB 943 – Rep. Gaydos)

Ask your Senator to vote yes on this bill which will allow pharmacists the ability to speak freely with patients about the best price and alternatives for their health. It also enables pharmacists to discuss the bad business practices of PBMs with legislators.

What does the bill do?

- Prevents the use of gag clauses in contracts allowing pharmacists to disclose pricing information to their patients so that the patients can receive the lowest out of pocket costs for their prescriptions
- Allows pharmacists to discuss reimbursement and other concerns with elected and appointed officials, including legislators
- A PBM or PSAO cannot penalize a pharmacist from disclosing the availability of a therapeutically equivalent alternative medication to a patient
- A PBM or PSAO cannot prohibit, restrict or limit disclosure of contract information by a pharmacist to any elected official

Prohibition of Gag Clauses – Senate (SB 639 – Rep. Phillips-Hill)

Ask your Senator to vote yes on this bill that expands the ability of pharmacists to provide cost-related prescription drug information to patients in all commercial insurance plans.

What does the bill do?

- A PBM or PSAO may not prohibit or penalize a pharmacist or pharmacy from disclosing available information concerning the cost of a prescription drug to a covered individual
- Prohibits a PBM or PSAO from prohibiting or penalizing a pharmacist from disclosing the availability of any therapeutically equivalent alternative medication
- A PBM or PSAO cannot restrict or limit written or oral disclosure of contract information by a pharmacist to any State, county or municipal officials
- A PBM or PSAO cannot remove or penalize a pharmacy for any disclosure
- The Department of Insurance can issue a fine not less than \$10,000 for a violation

Auditor General Audit Authority - (HB 944 – Rep. Fritz and SB 829 - Sen. Aument) *identical bills*

Ask your Senator to vote yes on these bills that allows the Auditor General to audit PBMs.

What do these bills do?

- This bill provides the authority for the Auditor General to audit any Pharmacy Benefit Managers that contracts with an MCO doing business with Medicaid
- Provides oversight and accountability for taxpayer dollars used in Medicaid
- Ensures taxpayer dollars are being spent on the medications for our most vulnerable patients
- Ensures pharmacists are being paid appropriately for their services