## New State Laws Target Key Issues in the Ongoing Drug Pricing Debate

November 2019

Authors: Michael Gallagher, Kevin C. Adam, Sean Sigillito

While drug pricing continues to be an important political issue in the United States, it has been state legislatures, not the federal government, that have been able to translate policy proposals into new laws.

Over the last few years, lawmakers at both the state and federal level, as well as enforcement agencies and class-action plaintiffs, have focused substantial efforts on brand name and generic drug pricing. Yet despite continued political pressure, virtually all of the proposed legislation at the federal level to date has failed. Current bills before Congress, such as the one backed by House Speaker Nancy Pelosi—which among other things would give Medicare the power to negotiate directly with pharmaceutical manufacturers—reportedly also face considerable resistance, especially in light of the projected negative impact such legislation would have on biopharmaceutical research and development and the flow of new drug and biologic approvals.<sup>1</sup>

The story is different, however, at the state level. State legislatures are proposing new laws regarding drug pricing at a record pace, and many of these laws are passing. In just the last year, for example, nearly every state in the country has proposed legislation targeting some aspect of drug pricing, with nearly 30 states passing such laws.

These new laws do not overtly challenge or restrict manufacturer prices. Rather, the laws reflect an effort to affect the cost of drugs through other means, such as by increasing pricing transparency, requiring disclosures from pharmaceutical benefit managers ("PBMs"), and allowing drug importation. For example, some states now require pharmaceutical manufacturers that raise the price of a drug above a certain threshold (e.g., 10-15% increase in a year or 50% over five years) to provide written justifications for their pricing decisions. Further, PBMs operating in certain states may be precluded from implementing some targeted pricing strategies altogether (e.g., so-called "spread pricing," where a PBM sets one payment rate to the pharmacy but charges a higher rate to its health plan client) and may be required to submit detailed reports outlining confidential information about manufacturer rebates. Some states have authorized consumers to import less-expensive drugs from Canada—a hotly contested issue at the federal level in the last few years. These laws in some instances even carry penalties and fines for noncompliance or failure to timely disclose required pricing information.

Although these laws share some similarities, they are far from uniform, which means that each new state drug-pricing law adds to an already complex array of reporting obligations, pricing thresholds, and restrictions faced by pharmaceutical manufacturers and others in the drug distribution and payment chain.

White & Case's Pharmaceuticals & Healthcare Group continues to track and evaluate the impact of these growing complexities on the pharmaceutical industry. To help provide an overview of recent state legislation, the chart below summarizes important provisions of state laws related to drug pricing as of November 2019 and includes additional information regarding which states have passed certain types of laws, which entities those laws target, and where to look for the language of the statute if a closer review is required.<sup>2</sup>

See generally Nicholas Florko, "It's tiny biotechs—not big drug makers—that fear 'nuclear winter' from Pelosi's drug pricing bill," Stat News (November 12, 2019), Link.

The chart includes enacted state laws that place reporting requirements or regulations on pharmaceutical manufacturers or may have an effect on the cost of prescription drugs in the pharmaceutical distribution and payment

State	Legislative Target(s)	Category	Act Title	Summary of Law	Link to Law
	e.g. Pharmacy Benefit Managers ("PBMs"), Pharmaceutical Company, Insurers, Canadian Drug Importation	e.g. Drug Price, Transparency, Drug Affordability Review, Study, Coupons, Licensing, Substitutions			
Alabama	PBMs	Coupons, Licensing, Pricing	Alabama Pharmacy Benefit Manager Licensure and Regulation Act	Requires PBMs to register with the Department of Insurance and be licensed by January 1, 2020 to conduct business in the state. Prohibits PBMs from preventing pharmacies and pharmacists from disclosing the amount an individual would pay for a drug without insurance. PBMs may not require a plan member to pay more than either the contracted co-payment amount or the cash retail value, whichever is less.	Link
Arizona	PBMs, Insurers	Coupons	An Act Relating to Insurance Cost Sharing	Requires PBMs and Insurers to include in any cost sharing requirement (e.g., out of pocket maximum) the amount paid by either the enrollee or another person on behalf of the enrollee (e.g. through a coupon) for drugs 1) without a generic equivalent or 2) where the enrollee has authorization to use drug instead of the generic equivalent.	Link

State	Legislative Target(s)	Category	Act Title	Summary of Law	Link to Law
Arizona	PBMs	Transparency	HB 2285: An Act Amending Section 20-3321, Arizona Revised Statutes	Requires PBMs, among other things, to update their maximum allowable cost (MAC) lists in a timely manner, to share with pharmacies the sources used to determine MAC pricing, and to establish an appeal process by which pharmacies can appeal MAC pricing reimbursement.  It further bars PBMs from, among other things, prohibiting retail pharmacies from dispensing 90 prescription refills if certain conditions are met, or prohibiting retail pharmacies from offering mail delivery of drugs as an ancillary service.	Link
Arkansas	Pharmacists	Substitutions, Drug Price	HB 1269: An Act to Allow Pharmacists to Make Biological Product Substitutions; And for Other Purposes	Allows pharmacists to substitute an interchangeable biosimilar product under specified circumstances when the substitution would result in cost savings to the patient. Notice to the prescriber of the substitution within five business days is required if requested.	Link

State	Legislative Target(s)	Category	Act Title	Summary of Law	Link to Law
Arkansas	PBMs	Transparency, Drug Pricing	Act 994: An Act to Clarify the State Insurance Department's Regulatory and Enforcement Authority Concerning Pharmacy Benefits Managers; To Modify Arkansas Pharmacy Benefit Manager Licensure Act; And for Other Purposes	Along with other reporting requirements, this Act requires that PBMs utilize an appeal process for pharmacies to challenge plan reimbursements.	Link
California	Pharmaceutical Manufacturers, Insurers	Drug Price, Transparency	SB 17: An act relating to health care	Imposes several new disclosure requirements, including requiring Insurers to provide annual reports on the 25 most frequently prescribed drugs, the 25 most costly drugs, and the 25 drugs with the highest year-over-year increases in price.  It further requires Manufacturers to provide notice if they will be introducing a new prescription drug at a cost that exceeds the threshold set out in Medicare Part D to be designated a "specialty drug" under federal law.	Link

State	Legislative Target(s)	Category	Act Title	Summary of Law	Link to Law
California	Pharmaceutical Manufacturers	Other	AB 824: An Act to Add Division 114.01 to Health and Safety Code, relating to business	On October 7, 2019, California became the first state to enact legislation—Assembly Bill 824—rendering certain pharmaceutical patent litigation settlement agreements presumptively anticompetitive.	Link; see also Link (White & Case's antitrust team outline of potential effects of this law).
Colorado	Pharmaceutical Manufacturers	Importation	SB 5: Dr. Irene Aguilar Canadian Prescription Drug Importation Act	Creates the program to allow the importation of prescription drugs from Canada to Colorado, subject to regulatory oversight and approval from the federal government.	Link
Colorado	Pharmaceutical Manufacturers	Drug Price, Transparency	HB 19-1131: An Act Concerning a Requirement to Share the Wholesale Acquisition Cost of a Drug When Sharing Information Concerning the Drug with Another Party	Requires pharmaceutical manufacturers who market to prescribers to disclose the drug's wholesale acquisition cost as well as the names of up to three generic drugs in the therapeutic class, should they exist.	Link
Colorado	Insurers	Cost Regulation, Drug Pricing	HB 1216: An Act Concerning Measures to Reduce A Patient's Cost of Prescription Drugs, and in Connection, Therewith, Making an Appropriation	Requires Insurers must cap the cost of insulin to covered plan members at no more than US\$100 per 30-day supply, regardless of the amount of insulin a patient needs. The Act also requires the Department of Law to investigate insulin prices and present its findings in a report no later than November 1, 2020.	Link

State	Legislative Target(s)	Category	Act Title	Summary of Law	Link to Law
Connecticut	PBMs	Drug Price, Transparency, Coupons	SB 445: An Act Concerning Contracts Between a Pharmacy and a Pharmacy Benefits Manager, the Bidirectional Exchange of Electronic Health Records and the Charging of Facility Fees By a Hospital or Health System	Imposes new restrictions on available terms in contracts between PBMs and pharmacies, including 1) PBMs may not prevent pharmacists from disclosing the costs of alternative medication, and 2) PBMs cannot require an individual to pay an amount that would exceed the individual's copayment for the medication, the allowable claim amount for the medication, or the amount the individual would pay without insurance.	Link
Connecticut	PBMs, Health Carriers, Pharmaceutical Manufacturers	Transparency	HB 5384: An Act Concerning Prescription Drug Costs	Creates a number of new reporting requirements, including that beginning March 1, 2021, PBMs must file an annual standard-form report outlining, among other things, the dollar amounts of all rebates received from pharmaceutical manufacturers concerning drug formularies managed by the PBM. The law also requires the Insurance Commissioner to publish an annual report including a statement disclosing whether, and describing the manner in which, health carriers made rebates available to individuals at the point of purchase.	Link
Delaware	PBMs, Insurers	Drug Pricing	HB 24: An Act to Amend Title 18 of the Delaware Code Relating to Copayment or Coinsurance for Prescription Drugs	Prohibits Insurers and PBMs from imposing a copayment or coinsurance requirement for a prescription drug that exceeds the price of that prescription drug, the contract price for the drug, or the copayment that would exist	Link

State	Legislative Target(s)	Category	Act Title	Summary of Law	Link to Law
				notwithstanding this law, whichever is less.	
Delaware	PBMs	Transparency, Drug Pricing	SB 194: An Act to Amend Title 18 of the Delaware Code Relating to Pharmacy Benefits Managers	Along with other reporting requirements, this Act requires that PBMs utilize an appeal process for pharmacies to challenge plan reimbursements.	Link
Florida	Pharmaceutical Manufacturers, Canadian Drug Importation	Importation	HB19: Canadian Prescription Drug Importation Program	Creates the program to allow the importation of prescription drugs from Canada to Florida, subject to regulatory oversight and approval from the federal government.	Link
Georgia	PBMs	Other; Patient Privacy	HB 233: An Act to amend Article 6 of Chapter 4 of Title 26 of the Official Code of Georgia Annotated	Prohibits pharmacies from sharing patient or prescriber identifying data for any commercial purpose outside the scope of serving patients.	Link
Georgia	PBMs	Transparency	HB 323: An Act to amend Chapter 64 of Title 33 of the Official Code of Georgia Annotated	Requires PBMs to report annually the total amount of rebates received from pharmaceutical manufacturers that the PBM did not pass on to its clients.	Link
Hawaii	No Recently Enacted Legislation Applicable				
Idaho	No Recently Enacted Legislation Applicable				

State	Legislative Target(s)	Category	Act Title	Summary of Law	Link to Law
Illinois	PBMs	Drug Prices, Transparency	HB 465: An Act Concerning Regulation.	Among a number of other requirements, this law requires PBMs to provide a process for pharmacies to appeal reimbursement amounts.	Link
Indiana	No Recently Enacted Legislation Applicable				
Iowa	Pharmaceutical Manufacturers	Transparency	SF 563: An Act Relating to PBMs and Information Related to the Management of Prescription Drug Benefits, and including Applicability Provisions.	Requires each PBM to submit an annual report to the Insurance Commissioner that includes, among other things, aggregate rebate amounts and administrative fees received from prescription pharmaceutical manufacturers and the amount of those rebates and fees that were not passed through to the PBM's health plan clients.	Link
Kansas	No Recently Enacted Legislation Applicable			·	
Kentucky	No Recently Enacted Legislation Applicable				
Louisiana	Insurer, Pharmacists, PBMs	Drug Price, Transparency	HB 436: An Act relative to coverage of prescription drugs	Prohibits entities that administer prescription drug benefit programs in Louisiana from prohibiting a pharmacist from informing a patient of "all relevant options" and their cost and efficacy and prohibits PBMs from reimbursing pharmacies less than the amount paid to the PBM's affiliates for the same service.	Link

State	Legislative	Category	Act Title	Summary of Law	Link to Law
	Target(s)				
Louisiana	PBMs	Licensing, Drug Pricing, Transparency	SB 41: An Act relative to regulation of PBMs	Large-scale reform of PBM requirements in Louisiana, which, among other things, requires PBM registration and regulation by certain state agencies and prohibits "spread pricing" without providing the required notice.	Link
Louisiana	Pharmacists, PBMs	Other	HB 433: An Act relative to business practices of pharmacists, pharmacies, and PBMs	Provides new regulations governing the interactions between pharmacists and PBMs, including prohibiting PBMs from reimbursing its affiliates more than non-affiliated pharmacies and subjecting those who violate the law to actions and penalties provided for in the Unfair Trade Practices and Consumer Protection Law.	Link
Louisiana	PBMs	Licensing, Coupons	SB 239: An Act relative to the Medicaid prescription drug benefit program	Among other things, this law authorizes the Louisiana Department of Health to remove pharmacy services from Medicaid managed care organization contracts and assume direct responsibility for such Medicaid pharmacy services.	Link
Maine	Insurers, Pharmacists, PBMs	Drug Price, Transparency	LD 6: An Act To Prohibit Insurance Carriers from Charging Enrollees for Prescription Drugs in Amounts That Exceed the Drugs' Costs	Prohibits Insurers or PBMs from requiring a copayment or other charge that exceeds the claim cost of a drug. It further prohibits Insurers or PBMs from penalizing pharmacists for disclosing costs or efficacy information to patients.	Link

State	Legislative	Category	Act Title	Summary of Law	Link to Law
Maine	Pharmaceutical Manufacturers	Drug Price, Transparency	LD 1162: An Act To Further Expand Drug Price; Transparency	Manufacturers must provide annual drug price reports to the Maine Health Data Organization. The annual reports must notify the Organization if the manufacturer has a) increased the wholesale acquisition cost of a brand-name or generic drug by more than 20%; or b) introduced a new drug for distribution that has a cost greater than the threshold for being designated a "specialty drug" under Medicare Part D. If the Organization requests information relating to a specific prescription drug, the manufacturer must provide the Organization with the price per unit within 60 days. Failure to comply can result in monetary fines. Effective January 30, 2020.  The Maine Health Data Organization will publish an annual report on the information from the Manufacturer reports, with various privacy protections. Effective November 1,	Link
Maine	Pharmaceutical Manufacturers	Importation	LD 1272: An Act To Increase Access to Low-cost Prescription Drugs	Provides for the Department of Health and Human Services to adopt rules to work to establish a program to import Canadian drugs. By May 1, 2020, the Department will submit a request for approval of the drug importation program to the Federal Department of Health and Human Services.  Effective January 1, 2020.	Link

State	Legislative Target(s)	Category	Act Title	Summary of Law	Link to Law
Maine	N/A	Drug Affordability Review	LD 1499: An Act to Establish the Maine Prescription Drug Affordability Board	Establishes the Maine Prescription Drug Affordability Review Board, which is authorized to determine spending targets on certain specific drugs that may cause affordability challenges to enrollees in a public payor health plan and a number or other broad powers including the ability to establish a common formulary for all public payers, enter into bulk purchasing agreements, and negotiate certain rebate amounts.	Link
Maine	Pharmaceutical Manufacturers.	Drug Price, Transparency	LD 1406: An Act To Promote Prescription Drug Price; Transparency	Empowers the Maine Health Data Organization to develop a plan to collect data from manufacturers related to the pricing of drugs.	Link
Maine	PBMs	Licensing, Other	LD 1504: An Act To Protect Consumers from Unfair Practices Related to Pharmacy Benefits Management	Prohibits "spread pricing" by PBMs absent notice to the State. Requires PBMs to have a license to operate in the state and to apply a single maximum allowable cost list. Effective January 1, 2020.	Link
Maryland	Pharmaceutical Manufacturers	Price Gouging	HB 631: An Act concerning Public Health- Essential Off-Patent of Generic Drugs- Price Gouging- Prohibition	This price gouging law would have prevented manufacturers from implementing "unconscionable" price increases on certain drugs. In 2018, a Federal appellate court held the law is unconstitutional because it regulated commerce outside of Maryland's borders. Leave to appeal to the Supreme Court of the United States was denied in February 2019.	Link

State	Legislative Target(s)	Category	Act Title	Summary of Law	Link to Law
Massachusetts	N/A	Drug Affordability Review, Transparency	HB 4000: An Act Making Appropriations for the Fiscal Year 2020 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements And for Certain Permanent Improvements	Among other provisions, this law requires certain pharmaceutical manufacturers to disclose certain information regarding drug prices, price increases, and research and development spending to the Executive Office of Health and Human Services. Based on the submitted information, the Executive Office of Health of Human Services may identify and negotiate supplemental rebates for drugs with total annual costs exceeding certain thresholds. If a supplemental pricing rebate is not agreed on, the Manufacturer may be subject to further disclosure requirements.	Link
Michigan	No Recently Enacted Legislation Applicable				
Minnesota	PBMs	Licensing, Substitutions	MN HF 728	Requires PBMs to be licensed to operate in the State; to report information regarding aggregate pharmaceutical manufacturer rebates, retained rebates, spread pricing, and other information to the Commissioner of Commerce; and to provide pharmacies certain information regarding the development of maximum allowable cost lists. This bill also permits pharmacists, with respect to a prescription not covered by the consumer's prescription drug plan, to dispense a therapeutically equivalent and interchangeable prescribed drug	Link

State	Legislative Target(s)	Category	Act Title	Summary of Law	Link to Law
				that is covered, pursuant to certain conditions and requirements.	
Minnesota	Insurers	Drug Price	MN SF 12: Omnibus health and human services appropriation bill	Appropriations bill with a number of detailed limitations, such as limiting cost sharing on insulin and regulating the sale of medical cannabis.	Link
Mississippi	Pharmacists	Drug Selection, Transparency	HB 976/ SB 2365: An Act To Amend Section 73-21-73, Mississippi Code Of 1972	Allows pharmacists to substitute an interchangeable biosimilar product for the prescribed biologic product, subject to certain conditions.	Link
Missouri	No Recently Enacted Legislation Applicable				
Montana	PBMs, Insurers	Transparency, Drug Pricing	SB 270: An Act Revising Conditions for a Network Pharmacy or Pharmacist	Imposes a prospective requirement that regulated entities (e.g. PBMs) provide pharmacies with their maximum allowable price list at the time of contracting and prohibits regulated entities from penalizing pharmacies for sharing reimbursement information with patients.	Link
Nebraska	PBMs, Insurers	Drug Pricing, Transparency	LB 316: A Bill For An Act relating to pharmacy; to adopt the Pharmacy Benefit Fairness Act.	Prohibits regulated entities (e.g., Insurers) from requiring a point-of-sale payment in excess of either the non-insured cash cost or the patient's contractual payment, whichever is less, and further prohibits penalizing pharmacies for disclosing cost related information to patients.	Link

State	Legislative Target(s)	Category	Act Title	Summary of Law	Link to Law
Nevada	PBMs	Drug Pricing, Transparency	AB 141: AN ACT relating to Pharmacy Benefit Managers	Prohibits a PBM from preventing a pharmacy from disclosing less expensive options to patients and from penalizing a pharmacy for selling a less expensive generic drug to patients.	Link
Nevada	Pharmaceutical Manufacturers	Drug Price, Transparency	SB 262: An Act relating to prescription drugs	Extends certain reporting requirements for the sale of diabetes treating drugs to treatments for asthma.	Link
Nevada	PBMs	Transparency, Drug Pricing	SB 378: AN ACT relating to prescription drugs	This law alters a number of existing provisions related to PBMs, including altering the standard governing a PBM's contractual relationship from a fiduciary standard to a good-faith standard. It further alters how the state operates its Medicaid program by allowing the Department of Health and Human Services to contract with a PBM for the administration of the State Plan for Medicaid and the Children's Health Insurance Program.	Link
Nevada	Pharmacists, PBMs, Pharmaceutical Manufacturers	Drug Price, Transparency	SB 539: An Act relating to prescription drugs	Creates a number of new reporting requirements related to the sale of drugs treating diabetes.	Link
New Hampshire	PBMs	Drug Price	SB 226: AN ACT relative to registration of PBMs, and reestablishing the commission to study greater transparency in pharmaceutical costs and drug rebate programs.	Creates a number of requirements for PBMs, including that PBMs must register to operate within the state and provide a process for pharmacies to appeal disputes regarding maximum allowable cost pricing, with staggered effective dates through 2020.	Link

State	Legislative Target(s)	Category	Act Title	Summary of Law	Link to Law
New Jersey	PBMs, Insurers	Drug Price	SB2690 An Act concerning pharmacy benefits managers	Prohibits regulated entities (e.g., PBMs) from requiring a point-of-sale payment in excess of either the non-insured cash cost or the patient's contractual payment, whichever is less, and prohibits penalizing pharmacies for disclosing cost-related information to patients.	Link
New Mexico	Pharmaceutical Manufacturers, PBMs, Pharmacists	Drug Price	SB 131: An Act Relating to Procurement	This law established the "Interagency Pharmaceuticals Purchasing Council" to study, review, and coordinate ways to manage drug costs through group purchasing and other means.	Link
New Mexico	PBMs	Drug Price, Transparency, Volume Purchasing	SB 415; An Act Relating to Health Care	Creates a number of requirements for PBMs, including that PBMs must be licensed to operate within the state and provide a process for pharmacies to appeal disputes regarding maximum allowable cost pricing.	Link
New York	No Recently Enacted Legislation Applicable			1 3	
North Carolina	Pharmacists, PBMs	Drug Price, Transparency	HB 466: An Act Relating to the Regulation of Pharmaceutical Benefit Managers	Imposes new requirements on the interactions between PBMs and pharmacists, including that 1) PBMs cannot prohibit pharmacists from providing cost share information to the patient or penalize a pharmacist for selling lower-priced drug to the patient if available, and 2) PBMs may not charge a co-payment greater than the total charge submitted by the pharmacy for the drug.	Link
North Dakota	No Recently Enacted Legislation Applicable				

State	Legislative Target(s)	Category	Act Title	Summary of Law	Link to Law
Oklahoma	PBMs	Drug Cost, Transparency	Patient's Right to Pharmacy Choice Act	Prohibits restrictions on a patient's right to choose a pharmacy provider without paying a penalty and creates an advisory committee to review complaints and administer fines.	Link
Oregon	Pharmaceutical Manufacturers, Insurers	Drug Price, Transparency	HB 4005: An Act Relating to the price of prescription drugs	Imposes a number of new reporting requirements on pharmaceutical manufacturers, including annual reports on certain factors regarding the manufacturer's price increases for drugs that cost US\$100 or more for a one-month supply and that increase in price by more than10%. The law further requires that Insurers report information regarding their 25 most costly drugs.	Link
Oregon	Pharmaceutical Manufacturers	Drug Price, Transparency	HB 2658: An Act relating to prescription drug costs	Effective January 1, 2020, pharmaceutical manufacturers must report certain intended material price increases to Oregon's Department of Consumer and Business Services, including 1) the date of the increase, 2) the current price, 3) the amount of the increase, 4) an explanation of why the increase is necessary, and 5) the year the drug became available in the United States.	Link
Oregon	Pharmacy Benefits Managers	Drug Price, Transparency	HB 2185: An Act relating to PBMs; Creating New Provisions; and Amending ORS 735.530 and 735.534	Prohibits PBMs from requiring a prescription to be filled by a mail order pharmacy as a condition for reimbursing the cost of the drug. The law does, however, allow a PBM to require a prescription for a specialty drug to be filled at a specialty pharmacy as a condition for reimbursement of the cost of the	Link

State	Legislative Target(s)	Category	Act Title	Summary of Law	Link to Law
				drug. It further prohibits PBMs from restricting or penalizing network pharmacies for disclosing the difference between the out-of-pocket cost for the drug and the pharmacy's retail price for the drug.	
Pennsylvania	No Recently Enacted Legislation Applicable				
Rhode Island	No Recently Enacted Legislation Applicable				
South Carolina	PBMs	Licensing, Transparency	S 359: An Act to Amend the Code of Laws of South Carolina, 1976	Establishes a State licensing requirement for PBMs and imposes a number of limitations on PBM operations. The law prevents PBMs from limiting the health care information pharmacists can provide to patients (i.e., information the pharmacists deem appropriate and within the scope of practice); prohibiting pharmacist from discussing certain cost information regarding drugs; or collecting a copay that exceeds the total contracted price, or the amount an individual would pay if that individual was paying cash, for the drugs, among other things.	Link
South Dakota	PBMs	Drug Price	HB 1137: An Act to revise certain provisions regarding Pharmacy Benefit Managers	This law limits a PBM's ability to contract for certain terms, such as to charge a patient an amount that	Link

State	Legislative Target(s)	Category	Act Title	Summary of Law	Link to Law
				exceeds the amount retained by the pharmacist.	
Tennessee	PBMs	Drug Price	HB 786: AN ACT to amend Tennessee Code Annotated, Title 56, Chapter 7, Part 31, relative to pharmacy benefits managers	Limits a PBM's ability to contract for certain terms, such as terms that would require a pharmacist to dispense a product contrary to the pharmacist's professional judgment and prohibits PBMs from reimbursing pharmacies less than the amount reimbursed to the PBM's affiliate entities.	Link
Texas	Pharmaceutical Manufacturers, PBMs	Drug Price, Transparency	HB 2536: An Act relating to transparency related to drug costs	Requires pharmaceutical manufacturers to provide reports of certain price increases for drugs which have a cost of at least US\$100 for a 30-day supply: Where the increase in price is greater than 40% or more over the previous three years, or greater than 15% over the last year, the manufacturer must provide a report within 30 days of the price change.	Link
Utah	PBMs, Insurers, Pharmacists	Transparency	HB 370: Pharmacy Benefit Manager Amendments	Imposes a licensing and reporting requirement on PBMs and provides certain restrictions on claims reimbursements, as well as a prohibition on PBMs charging insured consumers costs sharing that exceeds the allowed claim amount, the total pharmacy reimbursement for the drug, or the retail price for the drug if not insured.	Link

State	Legislative Target(s)	Category	Act Title	Summary of Law	Link to Law
Vermont	Pharmaceutical Manufacturers	Drug Price, Transparency	SB 216: An act relating to prescription drugs	This law authorizes the Vermont Attorney General to require manufacturers to provide justifications for price increases where the State spent "significant health care dollars" and where the wholesale acquisition cost of a drug has increased by a certain amount (by 50% over the last five years or by 15% over the last 12 months).	Link
Vermont	Pharmaceutical Manufacturers, Pharmacists, Insurers	Drug Price, Transparency, Substitutions	S 92: An Act relating to prescription Drug Price; Transparency and cost containment	Imposes a number of requirements on different entities within the healthcare sector, including requiring pharmacists to select the lowest priced interchangeable product unless otherwise instructed by the prescriber (or the purchaser, if they agree to pay the extra cost). It further requires insurers to provide a report on the costs associated with covering prescription drugs and the year-over-year increases in drug prices. The law places varying reporting requirements on Insurers based upon the number of individuals they insure.	Link
Vermont	Pharmaceutical Manufacturers	Importation	S 175: An act relating to the wholesale importation of prescription drugs	The Act directs the Agency of Human Services to design a program for wholesale importation of prescription drugs from Canada in compliance with all applicable federal standards.	Link

State	Legislative Target(s)	Category	Act Title	Summary of Law	Link to Law
Virginia	Insurers	Coupons, Drug Price	SB 1596/ HB 2515: An Act to amend and reenact §§ 38.2-4214 and 38.2-4319 of the Code of Virginia	Requires any insurance carrier in Virginia to count any payments made by another person on the enrollee's behalf, including payments through prescription drug coupons, toward a patient's out-of-pocket maximum cost sharing requirement for plans created or extended after January 1, 2020.	Link
Washington	Pharmaceutical Manufacturers, PBMs, Insurers	Drug Price, Transparency	HB 1224: An Act Relating to prescription drug cost transparency	Imposes a number of new reporting requirements on pharmaceutical manufacturers, PBMs, and Insurers related to price increases, prescription frequency, and reimbursement amounts.	Link
West Virginia	PBMs, Insurers	Drug Price	HB 2770/ SB 509: A BILL to amend the Code of West Virginia, 1931	Effective January 1, 2020: When an insured's contributions to an applicable cost sharing requirement is calculated (e.g. an out of pocket maximum), the Insurer and PBM must include the cost sharing amounts paid by the insured or on behalf of the insured by another person.	Link
Wisconsin	No Recently Enacted Legislation Applicable				
Wyoming	Importation, PBMs	Transparency	HB 63: AN ACT relating to regulation of PBMs under the insurance code	Precludes PBMs from prohibiting or penalizing a pharmacy or pharmacist for informing a covered person about alternatives that may cost less than paying for a prescription drug using the person's prescription drug insurance.	Link

White & Case LLP 1221 Avenue of the Americas New York, New York 10020-1095 United States

## T +1 212 819 8200

In this publication, White & Case means the international legal practice comprising White & Case LLP, a New York State registered limited liability partnership, White & Case LLP, a limited liability partnership incorporated under English law and all other affiliated partnerships, companies and entities.

This publication is prepared for the general information of our clients and other interested persons. It is not, and does not attempt to be, comprehensive in nature. Due to the general nature of its content, it should not be regarded as legal advice.