



February 15, 2019

HOUSE BILL No. 1180

DIGEST OF HB 1180 (Updated February 13, 2019 10:32 am - DI 97)

Citations Affected: IC 27-1; noncode.

Synopsis: Pharmacy benefits. Requires a health plan that denies prior authorization for certain prescription drugs to provide an alternative list of prescription drugs covered by the health plan. Urges the legislative council to assign to an interim study committee the topic of regulation and practice of pharmacy benefit managers for study and recommendations during the 2019 interim of the general assembly.

Effective: July 1, 2019.

Carbaugh, Austin, Lehman

January 8, 2019, read first time and referred to Committee on Insurance.
February 14, 2019, amended, reported — Do Pass.

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February 15, 2019

First Regular Session of the 121st General Assembly (2019)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2018 Regular and Special Session of the General Assembly.

HOUSE BILL No. 1180

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-1-37.4-8 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2019]: **Sec. 8. (a) As used in this section, "step therapy protocol"**
4 **means a protocol that specifies, as a condition of coverage under a**
5 **health plan, the order in which certain prescription drugs must be**
6 **used to treat a covered individual's condition.**
7 **(b) A health plan that denies prior authorization for a**
8 **prescription drug described in subdivision (1) or (2) shall provide,**
9 **in the notice of denial, an alternative list of prescription drugs as**
10 **follows:**
11 **(1) If:**
12 **(A) the prescription drug is not included in the health**
13 **plan's formulary; and**
14 **(B) there is at least one (1) alternative prescription drug in**
15 **the same therapeutic classification (as defined in**
16 **IC 12-15-35-17.5);**
17 **the alternative list must specify the alternative prescription**

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1 drugs described in clause (B) that are covered by the health
2 plan.

3 **(2) If the prescription drug is prescribed to treat a condition**
4 **for which coverage under the health plan requires use of a**
5 **step therapy protocol, the alternative list must specify the**
6 **alternative prescription drugs that are required by the step**
7 **therapy protocol.**

8 SECTION 2. [EFFECTIVE JULY 1, 2019] **(a) The legislative**
9 **council is urged to assign to an appropriate interim study**
10 **committee the topic of regulation and practices of pharmacy**
11 **benefit managers.**

12 **(b) If the legislative council assigns the topic under subsection**
13 **(a), the study committee shall, not later than November 1, 2019,**
14 **report to the legislative council in an electronic format under**
15 **IC 5-14-6 the results of the study and any recommended legislation**
16 **concerning the following:**

17 **(1) State licensure of pharmacy benefit managers.**

18 **(2) Pharmacy benefit manager use of contract provisions that**
19 **limit a pharmacist's ability to inform customers concerning**
20 **the least expensive price that may be paid by the customer.**

21 **(3) Pharmacy benefit manager conflicts of interest.**

22 **(4) Pharmacy benefit manager practices in charging**
23 **customers who obtain pharmacy services from pharmacies in**
24 **which the pharmacy benefit manager has no ownership or**
25 **other financial interest.**

26 **(5) Pharmacy benefit manager practices in specifying a**
27 **particular wholesale drug distributor or other pharmaceutical**
28 **supplier from which a pharmacy must purchase**
29 **pharmaceutical supplies.**

30 **(c) This SECTION expires December 1, 2019.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, to which was referred House Bill 1180, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1180 as introduced.)

CARBAUGH

Committee Vote: yeas 11, nays 0.

