

HOUSE BILL No. 1377

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-1-51.

Synopsis: Prescription drug pricing. Provides that the price that a health plan, third party administrator, or pharmacy benefit manager sets for a covered individual's purchase of a prescription drug from a pharmacist or pharmacy must be equal to or less than the amount directly or indirectly paid by the health plan, third party administrator, or pharmacy benefit manager to the pharmacist or pharmacy for the prescription drug.

Effective: July 1, 2024.

Schaibley, Barrett, McGuire

January 10, 2024, read first time and referred to Committee on Insurance.



Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

HOUSE BILL No. 1377

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 27-1-51 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2024]:
4 **Chapter 51. Prescription Drug Pricing**
5 **Sec. 1. As used in this chapter, "covered individual" means an**
6 **individual who is entitled to coverage under a health plan.**
7 **Sec. 2. As used in this chapter, "health plan" means the**
8 **following:**
9 (1) **A state employee health plan (as defined in IC 5-10-8-6.7).**
10 (2) **A policy of accident and sickness insurance (as defined in**
11 **IC 27-8-5-1). However, the term does not include the**
12 **coverages described in IC 27-8-5-2.5(a).**
13 (3) **An individual contract (as defined in IC 27-13-1-21) or a**
14 **group contract (as defined in IC 27-13-1-16) that provides**
15 **coverage for basic health care services (as defined in**
16 **IC 27-13-1-4).**
17 (4) **Medicaid or a managed care organization (as defined in**



- 1 **IC 12-7-2-126.9) that has contracted with Medicaid to provide**
 2 **services to a Medicaid recipient.**
- 3 **(5) A self-funded health benefit plan, including a self-funded**
 4 **health benefit plan that complies with the federal Employee**
 5 **Retirement Income Security Act (ERISA) of 1974 (29 U.S.C.**
 6 **1001 et seq.).**
- 7 **(6) Any other plan or program that provides payment,**
 8 **reimbursement, or indemnification to a covered individual for**
 9 **the cost of prescription drugs.**
- 10 **Sec. 3. As used in this chapter, "pharmacist" has the meaning**
 11 **set forth in IC 27-1-24.5-9.**
- 12 **Sec. 4. As used in this chapter, "pharmacy" has the meaning set**
 13 **forth in IC 27-1-24.5-11.**
- 14 **Sec. 5. As used in this chapter, "pharmacy benefit manager" has**
 15 **the meaning set forth in IC 27-1-24.5-12.**
- 16 **Sec. 6. As used in this chapter, "third party administrator"**
 17 **means a person or an organization that performs administrative**
 18 **services for a health plan.**
- 19 **Sec. 7. (a) This section applies to a contract that is entered into,**
 20 **issued, amended, or renewed after December 31, 2024.**
- 21 **(b) The price that a health plan, third party administrator, or**
 22 **pharmacy benefit manager sets for a covered individual's purchase**
 23 **of a prescription drug from a pharmacist or pharmacy must be:**
- 24 **(1) equal to; or**
 25 **(2) less than;**
- 26 **the amount directly or indirectly paid by the health plan, third**
 27 **party administrator, or pharmacy benefit manager to the**
 28 **pharmacist or pharmacy for the prescription drug.**

