

## STATEMENT OF PURPOSE

### RS26711

Pharmacy Benefit Managers (PBMs) are third party administrators under contract by health plans, employers and government entities to manage prescription drug programs for health plan recipients. PBMs decide which pharmacies are included in a prescription drug plan's network and how much the pharmacy will be paid for dispensing services. Idaho is one of just five states that do not regulate or have any oversight at all over PBMs. This bill will require PBMs that operate in Idaho to register with the Department of Insurance. It also gives pharmacists more flexibility in informing patients how they can pay less out-of-pocket for prescriptions. Today, PBMs prohibit pharmacies from discussing prescription cost options with their patients. Recently, legislation passed and was signed into law at the federal level prohibiting "gag clauses" on Medicare Part D and Advantage plans, but State legislation is still needed for all other insurance. Most already have this type of law in effect.

### FISCAL NOTE

There is no fiscal impact to the General Fund; however, the changes to Idaho Code § 41-348 will ultimately have a positive fiscal impact on the General Fund, although the amount is unknown, since it is projected to potentially have a cost savings to the State employee health insurance program.

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**DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).**