

House Health and Human Services Committee

January 23, 2025

Bill: HCR 2 – Concurrent Resolution Directing PEHP Regarding Pharmaceutical Rebates

Sponsor: Representative Norman K. Thurston

Floor Sponsor: Undeclared

UASD Position: Tracking

This Resolution directs the Public Employees' Benefit and Insurance Program to give the estimated value of pharmaceutical rebates to state plan members at the point of sale.

As stated by the sponsor, Representative Thurston, an insurance policy holder under the Public Employees' Benefits and Insurance Program can expect a discount on their policy. There is one exception to that, which is within the pharmacy business. The Pharmacy Business Managers (PBM's) negotiate a discount on the consumer's behalf with manufacturers. This is accomplished in the form of a rebate. According to the sponsor, this benefit is then paid by the consumer. He believes the consumer should be paying the price with the rebate when they pick up their prescriptions. Representative Thurston highlighted the need for this when purchasing EpiPen's or insulin.. This Resolution directs the Public Employers' Benefits and Insurance program to give the estimated value of pharmaceutical rebates to state plan members at the point of sale. House Amendment 1 was adopted by the Committee. The amendment adjusts the anticipated savings for the policy holder and clearly directs PEHP to "optimize the total value of PEHP's pharmacy benefit manager contract through monitoring, updating, and rebidding." Representative Barlow spoke in support of the Bill and noted the good work done by PEHP. Representative Eliason and Representative Hall asked about the fiscal note. They specifically wanted to understand how the cost was zero. The sponsor answered that with the employees as a group, this Bill simply reallocates the benefit. He asserted that this Bill does not add or reduce any funding by the state or other government employer. It simply "moves money from one pocket into another". There was no public comment.

Yeas: 12

Nays: 0

N/V: 2

Outcome: HCR 2, as amended, passed out of the Committee with a favorable recommendation.