

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 108
93RD GENERAL ASSEMBLY

Reported from the Committee on Health Care Policy, March 9, 2005 with recommendation that the House Committee Substitute for House Bill No. 108 Do Pass by Consent.

Referred to the Committee on Rules pursuant to Rule 25(26)(f).

STEPHEN S. DAVIS, Chief Clerk

0498L.02C

AN ACT

To repeal section 354.535, RSMo, and to enact in lieu thereof two new sections relating to insurance co-payments for prescription drugs.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 354.535, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 354.535 and 376.386, to read as follows:

354.535. 1. If a pharmacy, operated by or contracted with by a health maintenance organization, is closed or is unable to provide health care services to an enrollee in an emergency, a pharmacist may take an assignment of such enrollee's right to reimbursement, if the policy or contract provides for such reimbursement, for those goods or services provided to an enrollee of a health maintenance organization. No health maintenance organization shall refuse to pay the pharmacist any payment due the enrollee under the terms of the policy or contract.

2. No health maintenance organization, conducting business in the state of Missouri, shall contract with a pharmacy, pharmacy distributor or wholesale drug distributor, nonresident or otherwise, unless such pharmacy or distributor has been granted a permit or license from the Missouri board of pharmacy to operate in this state.

3. Every health maintenance organization shall apply the same coinsurance, co-payment and deductible factors to all drug prescriptions filled by a pharmacy provider who participates

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

14 in the health maintenance organization's network if the provider meets the contract's explicit
15 product cost determination. If any such contract is rejected by any pharmacy provider, the health
16 maintenance organization may offer other contracts necessary to comply with any network
17 adequacy provisions of this act. However, nothing in this section shall be construed to prohibit
18 the health maintenance organization from applying different coinsurance, co-payment and
19 deductible factors between generic and brand name drugs.

20 **4. If the co-payment applied by a health maintenance organization exceeds the**
21 **usual and customary retail price of the prescription drug, enrollees shall only be required**
22 **to pay the usual and customary retail price of the prescription drug.**

23 **5.** Health maintenance organizations shall not set a limit on the quantity of drugs which
24 an enrollee may obtain at any one time with a prescription, unless such limit is applied uniformly
25 to all pharmacy providers in the health maintenance organization's network.

26 [5.] **6.** Health maintenance organizations shall not insist or mandate any physician or
27 other licensed health care practitioner to change an enrollee's maintenance drug unless the
28 provider and enrollee agree to such change. For the purposes of this provision, a maintenance
29 drug shall mean a drug prescribed by a practitioner who is licensed to prescribe drugs, used to
30 treat a medical condition for a period greater than thirty days. Violations of this provision shall
31 be subject to the penalties provided in section 354.444. Notwithstanding other provisions of law
32 to the contrary, health maintenance organizations that change an enrollee's maintenance drug
33 without the consent of the provider and enrollee shall be liable for any damages resulting from
34 such change. Nothing in this subsection, however, shall apply to the dispensing of generically
35 equivalent products for prescribed brand name maintenance drugs as set forth in section 338.056,
36 RSMo.

376.386. If the co-payment for prescription drugs applied by a health insurer
2 **exceeds the usual and customary retail price of the prescription drug, enrollees shall only**
3 **be required to pay the usual and customary retail price of the prescription drug.**