

March 23, 2005

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1332

Page 1, line 2, after "management" insert "; and to provide for a legislative council study"

Page 2, after line 12, insert:

- "6. "Payment received by the pharmacy benefits manager" means the aggregate amount of the following types of payments:
  - a. A rebate collected by the pharmacy benefits manager which is allocated to a covered entity;
  - b. An administrative fee collected from the manufacturer in consideration of an administrative service provided by the pharmacy benefits manager to the manufacturer;
  - c. A pharmacy network fee; and
  - d. Any other fee or amount collected by the pharmacy benefits manager from a manufacturer or labeler for a drug switch program, educational support, or data sales related to a covered individual."

Page 2, line 13, replace "6." with "7."

Page 2, remove line 18

Page 2, line 19, replace "b." with "a."

Page 2, line 21, replace "c." with "b."

Page 2, line 22, replace "d." with "c."

Page 2, line 23, replace "7." with "8."

Page 2, line 26, remove "and includes mail service pharmacy"

Page 2, line 30, replace "and does not include a" with a period

Page 3, replace lines 1 through 9 with:

- "9. "Rebate" means a retrospective reimbursement of a monetary amount by a manufacturer under a manufacturer's discount program with a pharmacy benefits manager for drugs dispensed to a covered individual."

Page 3, line 10, replace "9." with "10."

Page 3, remove lines 29 and 30

Page 4, remove lines 1 through 6

Page 4, line 7, remove "2."

Page 4, line 10, replace "solely because the pharmacist or" with "if the pharmacist or pharmacy accepts the terms, conditions, and reimbursement rates of the pharmacy benefits manager's contract."

Page 4, remove lines 11 through 16

Page 4, line 17, remove "4."

Page 4, line 22, replace "that" with "which"

Page 4, line 23, replace "rebates and other retrospective" with "a payment received by the pharmacy benefits manager;"

Page 4, remove line 24

Page 4, line 25, replace "rebates and other" with "a payment received by the pharmacy benefits manager; or"

Page 4, remove line 26

Page 4, replace line 28 with "a payment received by the pharmacy benefits manager."

Page 5, line 1, replace "rebates and other" with "a payment received by the pharmacy benefits manager is"

Page 5, line 2, remove "retrospective utilization discounts are"

Page 5, line 4, replace "company" with "covered entity"

Page 5, line 5, replace "company" with "covered entity"

Page 5, replace line 7 with "payment received by the pharmacy benefits manager which the covered entity"

Page 5, line 8, replace "have" with "has"

Page 5, line 9, replace "company's" with "covered entity's" and replace "have" with "has"

Page 5, line 10, remove "of the company" and replace the second "company" with "covered entity"

Page 5, line 11, replace "rebates and other retrospective utilization" with "the payment received by the pharmacy benefits manager"

Page 5, line 12, remove "discounts"

Page 5, line 13, replace "rebates and other retrospective utilization" with "payment received by the pharmacy benefits manager is"

Page 5, line 14, remove "discounts are" and after "rates" insert "or is distributed to cover individuals"

Page 5, after line 18, insert:

**"SECTION 3. PHARMACY BENEFITS MANAGEMENT INDUSTRY - LEGISLATIVE COUNCIL STUDY.** The legislative council shall study, during the 2005-06 interim, the pharmacy benefits management industry, including the extent of competition in the marketplace for health insurance and prescription drugs; whether protecting the confidentiality of trade secret or proprietary information has a positive or negative impact on prescription drug prices; the ownership interest or affiliation between insurance companies and pharmacy benefits management companies and whether such relationships are good for the consumer; the impact of disclosure of information regarding relationships between pharmacy benefits management companies and their customers; the use of various cost-containment methods by pharmacy benefits managers, including the extent to which pharmacy benefits managers promote the use of generic drugs; the actual impact of the use of pharmacy benefits management techniques on community pharmacies; the price consumers actually pay for prescription drugs in North Dakota; and consideration of the legality of imposing statutory restrictions on pharmacy benefits managers. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly."

Renumber accordingly