

## STATEMENT OF PURPOSE

### RS26101

Pharmacy Benefits Managers (PBMs) are middlemen that were originally designed to reduce administrative costs for insurers, validate patient eligibility, administer plan benefits, as well as negotiate costs between pharmacies and health plans. Today PBMs have control over almost all aspects of the prescription drug transactions, with the three largest PBMs managing 78 percent of the prescription drug benefit transactions. The purpose of this legislation is to establish a Pharmacy Benefit Manager Transparency Act that includes registration and disclosure of information requirements. In addition, it would establish transparency of the covered prescription drug lists and the methodology that determines how reimbursement to the pharmacies is ultimately calculated.

### FISCAL NOTE

There is no fiscal impact to the state's general budget. The legislation gives the Department of Insurance rulemaking authority to administer fees that would cover all costs.

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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).