



SENATE MOTION

MADAM PRESIDENT:

I move that Engrossed House Bill 1405 be amended to read as follows:

- 1 Page 17, between lines 22 and 23, begin a new paragraph and insert:
2 "SECTION 15. IC 27-1-24.5-5, AS ADDED BY P.L.68-2020,
3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2021]: Sec. 5. As used in this chapter, "health plan" means the
5 following:
6 (1) A state employee health plan (as defined in IC 5-10-8-6.7).
7 (2) A policy of accident and sickness insurance (as defined in
8 IC 27-8-5-1). However, the term does not include the coverages
9 described in IC 27-8-5-2.5(a).
10 (3) An individual contract (as defined in IC 27-13-1-21) or a
11 group contract (as defined in IC 27-13-1-16) that provides
12 coverage for basic health care services (as defined in
13 IC 27-13-1-4).
14 **(4) Any other plan or program that provides payment,**
15 **reimbursement, or indemnification to a covered individual for**
16 **the cost of prescription drugs.**
17 SECTION 16. IC 27-1-24.5-22.1 IS ADDED TO THE INDIANA
18 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
19 [EFFECTIVE JULY 1, 2021]: **Sec. 22.1. (a) This section applies to an**
20 **agreement between a pharmacy benefit manager and a health plan**
21 **regarding prescription drugs that is entered into, renewed, or**
22 **renegotiated after December 31, 2021. This section does not apply**
23 **to a health plan, with point of sale rebates, if at least eighty-five**
24 **percent (85%) of the estimated rebates are deducted from the cost**
25 **of prescription drugs dispensed at a pharmacy or via mail order**
26 **before a covered individual's cost sharing requirement is**
27 **determined.**

- 1 **(b) As used in this section, "policyholder" means the covered**
- 2 **individual in whose name a health plan is held.**
- 3 **(c) As used in this section, "prescription drug" means a**
- 4 **controlled substance or a legend drug (as defined in**
- 5 **IC 16-18-2-199).**
- 6 **(d) An agreement to which this section applies must contain a**
- 7 **contractual provision that requires the pharmacy benefit manager**
- 8 **to provide on an annual basis, not later than sixty (60) days after**
- 9 **the end of each policy year, a notice to a policyholder that states**
- 10 **the following:**
- 11 **(1) An explanation of what a rebate is.**
- 12 **(2) An explanation of how rebates accrue to a health plan**
- 13 **from a manufacturer.**
- 14 **(3) The aggregate amount of rebates for all prescription drugs**
- 15 **dispensed or administered to covered individuals on the**
- 16 **policyholder's health plan that accrued to the health plan**
- 17 **during the previous policy year. This information may not**
- 18 **include any information about an individual prescription**
- 19 **drug, including the name, manufacturer, quantity, or dosage**
- 20 **of a prescription drug.**
- 21 **The notice required by this section may be provided by first class**
- 22 **mail or electronic mail."**
- 23 Renumber all SECTIONS consecutively.
 (Reference is to EHB 1405 as printed April 2, 2021.)

Senator BOHACEK