

ONE HUNDRED EIGHTH LEGISLATURE - SECOND SESSION - 2024
COMMITTEE STATEMENT
LB990

Hearing Date: Tuesday February 27, 2024
Committee On: Banking, Commerce and Insurance
Introducer: Bostar
One Liner: Change provisions of the Pharmacy Benefit Manager Licensure and Regulation Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Aguilar, Ballard, Bostar, Dungan, Jacobson, Kauth, Slama, von Gillern
Nay:
Absent:
Present Not Voting:

Testimony:

Proponents:

Senator Eliot Bostar
Sarah Kuhl
Marcia Mueeting
David Kohll
Staci Hubert
Lisa Caha
Andrew Raduechel

Representing:

Opening Presenter
Nebraska Medicine, Nebraska Hospital Association
Nebraska Pharmacists Association
Nebraska Pharmacy Association
CPESN - Nebraska
Self
Self

Opponents:

Bill Head
Michelle Crimmins
Robert Bell

Representing:

PCMA
Prime Therapeutics
Nebraska Insurance Federation

Neutral:

Representing:

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

LB 990 is a bill that was introduced by Senator Bostar. It would amend Neb. Rev. Stat. §§ 44-4603, 44-4604, 44-4606, and 44-4610, statutes found in the Pharmacy Benefit Manager Licensure and Regulation Act (Act) (located at Neb. Rev. Stat. §§ 44-4601 to 44-4612). LB 990 seeks to address the practices of pharmacy benefit managers (PBMs) that restrict patient choice and access to preferred pharmacy providers.



Section-by-Section Summary:

Section 1: Would amend the definition of “health benefit plan” under the Act. It would also add “retail community pharmacy” as a new definition.

Section 2: Neb. Rev. Stat. § 44-4604 identifies the Act’s applicability. Section 2 of LB 990 expands who the Act applies to by removing the limiting language, “including any health carrier that performs a claims processing service” and replacing it with “including any claims processing service.”

Section 3: Section 3 adds a new subsection to Neb. Rev. Stat. § 44-4606. Specifically, it adds three (3) additional prohibited acts:

A PBM shall not restrict a covered persons ability to choose how a retail community pharmacy may dispense or deliver prescription drugs.

A PBM shall not prohibit a retail community pharmacy from shipping, mailing, or any manner of delivering dispensed prescription drugs to a covered person at any location requested by the covered individual if such shipping, mailing, or delivery is otherwise allowed by law.

A PBM shall not require a retail community pharmacy to participate in a mail order contract or substantially similar terms to ship, mail, or deliver a prescription drug to a covered person.

Section 4: Neb. Rev. Stat. § 44-4610 of the Act states that a PBM shall not exclude a Nebraska pharmacy from participation in the PBM’s specialty pharmacy network if the pharmacy is willing to accept the terms and conditions of the PBM’s agreement with the PBM’s specialty pharmacies. Section 4 clarifies that such terms and conditions must be reasonable, and then goes on to specify what the reasonable terms shall not include.

Section 5: Repeals the original sections being amended.

Explanation of amendments:

AM 2841 amends LB 990 by replacing the entirety of the bill with the following:

Section 1 amends the definition of health benefit plan in Neb. Rev. Stat. § 44-4603.

Section 2 amends Neb. Rev. Stat. § 68-956 by adding a new subsection stating that any contract under the Medicaid Prescription Drug Act with a pharmacy benefit manager or a managed care organization using a pharmacy benefit manager shall require any pharmacy benefit manager that is a party or otherwise subject to the contract to comply with the Pharmacy Benefit Manager Licensure and Regulation Act.

Julie Slama, Chairperson

