

**Joint Committee on Health Care Financing
Section by Section Summary**

Bill Number: Report of Conference on Senate, No. 2520 & House, No. 4910

Title: An Act relative to pharmaceutical access, costs and transparency

Sponsors: Senator Cindy F. Friedman & Representative John J. Lawn, Jr.

| Bill Section | MGL Chapter | MGL Section | Agency & Function | Description of § |
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| 1 2 | 6D | 1 | HPC - Definitions | <ul style="list-style-type: none"> • Defines “generic drug” • Defines “pharmaceutical manufacturing company” • Defines “pharmacy benefit manager” |
| 3 | 6D | 3A (NEW) | HPC - Office of Pharmaceutical Policy & Analysis | <ul style="list-style-type: none"> • Establishes the Office for Pharmaceutical Policy and Analysis within HPC to analyze trends related to pharmaceutical access, affordability and spending in the Commonwealth. |
| 4 | 6D | 4 | HPC - Advisory Council | <ul style="list-style-type: none"> • Adds representatives from pharmaceutical manufacturing companies and pharmacy benefit managers (PBMs) to HPC’s advisory council. |
| 5 | 6D | 6 | HPC - Operations Assessment | <ul style="list-style-type: none"> • Authorizes HPC to assess pharmaceutical manufacturing companies and PBMs to cover any additional HPC expenses related to HPC’s analysis of pharmaceutical manufacturing companies and PBMs (similar to HPC’s current assessment on providers and payers). • Adjusts HPC assessment percentage from a 33% floor to 30-40% for hospitals, ambulatory surgical centers, and non-hospital provider organizations. • Sets the assessment percentage for pharmaceutical manufacturing companies and PBMs at 5-10% each. |
| 6 7 8 9 10 11 | 6D | 8 | HPC - Cost Trends Hearings & Annual Report | <ul style="list-style-type: none"> • Adds significant equity investors, health care real estate investment trusts, management services organizations, pharmaceutical manufacturing companies and PBMs to HPC’s annual cost trends hearing. |
| 12 13 | 6D | 9 | HPC - Cost Growth Benchmark | <ul style="list-style-type: none"> • Adds pharmaceutical manufacturing companies and PBMs to HPC’s annual cost growth benchmark hearing. |
| 14 | 6D | 23 (NEW) | HPC - Cost Share Cap Evaluation | <ul style="list-style-type: none"> • Requires HPC, in consultation with the Center for Health Information and Analysis (CHIA), the Group Insurance Commission (GIC), MassHealth, and the Division of Insurance (DOI), to, every 2 years, evaluate impact of the program to cap out-of-pocket costs for drugs selected to treat diabetes, asthma, and 2 chronic heart conditions (see SECTIONS 26, 28, 31, 33, 34, and 35 of the bill). |
| 15 16 | 12C | 1 | CHIA - Definitions | <ul style="list-style-type: none"> • Defines “payer”, “pharmaceutical manufacturing company” • Defines “pharmacy benefit manager” • Defines “wholesale acquisition cost” |

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| 17 18 | 12C | 3 | CHIA - Data Collection | <ul style="list-style-type: none"> • Authorizes CHIA to collect, analyze and disseminate information regarding pharmaceutical manufacturing companies and PBMs. |
| 19 20 | 12C | 5 | CHIA - Rules and Regulations | <ul style="list-style-type: none"> • Directs CHIA, before adopting regulations, to consult affected pharmaceutical manufacturing companies and PBMs (similar to CHIA's current requirement to consult with affected providers and payers). |
| 21 | 12C | 7 | CHIA - Operations Assessment | <ul style="list-style-type: none"> • Authorizes CHIA to assess pharmaceutical manufacturing companies and PBMs to cover any additional CHIA expenses related to CHIA's analysis of pharmaceutical manufacturing companies and PBMs (similar to CHIA's current assessment on providers and payers). • Adjusts CHIA assessment percentage from a 33% floor to 30-40% for hospitals, ambulatory surgical centers, and non-hospital provider organizations. • Sets the assessment percentage floor for pharmaceutical manufacturing companies and PBMs at 5-10% each. |
| 22 | 12C | 10A (NEW) | CHIA - PBM Data Collection | <ul style="list-style-type: none"> • Authorizes CHIA to issue regulations for the uniform analysis of and submission of data and information from PBMs to help the state better understand cost growth drivers for prescription drugs. |
| 23 | 12C | 11 | CHIA - Timely Reporting of Information | <ul style="list-style-type: none"> • Adds new section 10A of chapter 12C to CHIA's timely reporting of information requirements. |
| 24 | 12C | 12 | CHIA - Data Collection Regulations | <ul style="list-style-type: none"> • Technical revision related to authorizing CHIA to issue regulations for the uniform analysis of and submission of data and information from PBMs to help the state better understand cost growth drivers for prescription drugs. |
| 25 | 12C | 16 | CHIA - Annual Report | <ul style="list-style-type: none"> • Authorizes CHIA to include high-level pharmaceutical manufacturing companies and PBM cost and price trends information in its annual report (similar to CHIA's current annual report, which includes high-level health care provider and payer cost and price trend information). |
| 26 | 32A | 17Z (NEW) | GIC - Cost Share Caps | <ul style="list-style-type: none"> • Requires GIC to provide coverage for 1 generic drug and 1 brand name drug used to treat each of the following: diabetes, asthma, and the 2 most prevalent heart conditions. • Requires insulin to be the selected drug to treat diabetes, and requires coverage of each insulin dosage and type, including rapid-acting, short-acting, intermediate-acting, long-acting, ultra long-acting and premixed. • The selected generic drug shall not be subject to any cost-sharing, including co-payments and co-insurances, or deductible. • The selected brand name drug shall not be subject to any deductible or co-insurance and shall cap insulin co-payments at \$25 per 30-day supply. |
| 27 | 94C | 21C (NEW) | Controlled Substances - Cost-Sharing | <ul style="list-style-type: none"> • Requires a pharmacy to charge an individual's appropriate cost-sharing amount (i.e., co-payment, deductible or coinsurance) or the pharmacy's retail price for a prescription drug, whichever is lowest. |

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| | | | | <ul style="list-style-type: none"> Requires a carrier not to impose a cost-sharing amount (i.e., co-payment, deductible or coinsurance) for a covered prescription drug that exceeds the drug's retail price. |
| 28 | 118E | 10Z (NEW) | Division of Medical Assistance / MassHealth - Cost Share Caps | <ul style="list-style-type: none"> Requires MassHealth to provide coverage for 1 generic drug and 1 brand name drug used to treat each of the following: diabetes, asthma, and the 2 most prevalent heart conditions. Requires insulin to be the selected drug to treat diabetes, and requires coverage of each insulin dosage and type, including rapid-acting, short-acting, intermediate-acting, long-acting, ultra long-acting and premixed. The selected generic drug shall not be subject to any cost-sharing, including co-payments and co-insurances, or deductible. The selected brand name drug shall not be subject to any deductible or co-insurance and shall cap insulin co-payments at \$25 per 30-day supply. |
| 29 30 | 118E | 64 | MassHealth - Definitions | <ul style="list-style-type: none"> Amends definition of "Center for health information and analysis revenue amount" as inserted by section 120 of chapter 140 of the Acts of 2024. Amends definition of "Health policy commission revenue amount" as inserted by section 120 of chapter 140 of the Acts of 2024. |
| 31 | 175 | 47CCC (NEW) | Individual, Group, or General - Cost Share Caps | <ul style="list-style-type: none"> Requires an individual, group blanket or general policy of accident and sickness insurance that provides hospital expense and surgical expense insurance that is issued or renewed within or without the commonwealth to provide coverage for 1 generic drug and 1 brand name drug used to treat each of the following: diabetes, asthma, and the 2 most prevalent heart conditions. Requires insulin to be the selected drug to treat diabetes, and requires coverage of each insulin dosage and type, including rapid-acting, short-acting, intermediate-acting, long-acting, ultra long-acting and premixed. The selected generic drug shall not be subject to any cost-sharing, including co-payments and co-insurances, or deductible. The selected brand name drug shall not be subject to any deductible or co-insurance and shall cap insulin co-payments at \$25 per 30-day supply. |
| 32 | 175 | 226 | DOI - Audit of PBMs | <ul style="list-style-type: none"> Directs the Division of Insurance to promulgate regulations to enforce PBM audits of contracted pharmacies. |
| 33 | 176A | 8DD (NEW) | Non-Profit Hospital Service Corporations - Cost Share Caps | <ul style="list-style-type: none"> Requires a contract between a subscriber and the corporation under an individual or group hospital service plan that is delivered, issued or renewed within or without the commonwealth to provide coverage for 1 generic drug and 1 brand name drug used to treat each of the following: diabetes, asthma, and the 2 most prevalent heart conditions. Requires insulin to be the selected drug to treat diabetes, and requires coverage of each insulin dosage and type, including rapid-acting, short-acting, intermediate-acting, long-acting, ultra long-acting and premixed. |

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| | | | | <ul style="list-style-type: none"> • The selected generic drug shall not be subject to any cost-sharing, including co-payments and co-insurances, or deductible. • The selected brand name drug shall not be subject to any deductible or co-insurance and shall cap insulin co-payments at \$25 per 30-day supply. |
| 34 | 176B | 4CCC (NEW) | Medical Service Corporations - Cost Share Caps | <ul style="list-style-type: none"> • Requires a subscription certificate under an individual or group medical service agreement that is issued or renewed within or without the commonwealth to provide coverage for 1 generic drug and 1 brand name drug used to treat each of the following: diabetes, asthma, and the 2 most prevalent heart conditions. • Requires insulin to be the selected drug to treat diabetes, and requires coverage of each insulin dosage and type, including rapid-acting, short-acting, intermediate-acting, long-acting, ultra long-acting and premixed. • The selected generic drug shall not be subject to any cost-sharing, including co-payments and co-insurances, or deductible. • The selected brand name drug shall not be subject to any deductible or co-insurance and shall cap insulin co-payments at \$25 per 30-day supply. |
| 35 | 176G | 4VV (NEW) | Health Maintenance Organizations - Cost Share Caps | <ul style="list-style-type: none"> • Requires an individual or group health maintenance contract that is issued or renewed within or without the commonwealth to provide coverage for 1 generic drug and 1 brand name drug used to treat each of the following: diabetes, asthma, and the 2 most prevalent heart conditions. • Requires insulin to be the selected drug to treat diabetes, and requires coverage of each insulin dosage and type, including rapid-acting, short-acting, intermediate-acting, long-acting, ultra long-acting and premixed. • The selected generic drug shall not be subject to any cost-sharing, including co-payments and co-insurances, or deductible. • The selected brand name drug shall not be subject to any deductible or co-insurance and shall cap insulin co-payments at \$25 per 30-day supply. |
| 36 | 176O | 30 (NEW) | DOI - Review of Drugs Selected for Cost Share Caps | <ul style="list-style-type: none"> • Requires each carrier to report to DOI the drugs selected with no or limited cost-sharing under SECTIONS 26, 28, 31, 33, 34, and 35. |
| 37 | 176Y (NEW) | 1 2 3 4 | DOI - PBM Regulation and Broker Conflicts | <ul style="list-style-type: none"> • Authorizes DOI to license and regulate PBMs operating in Massachusetts. • Prohibits a PBM from making payments to a pharmacy benefit consultant or broker if the payment constitutes a conflict of interest. |
| 38 | Effective Date | | HPC and CHIA Operations Assessments | <ul style="list-style-type: none"> • Creates an effective date of beginning of Fiscal Year 2026 for SECTIONS 5 and 21 of the bill relating to changes in HPC and CHIA assessments. |
| 39 | Effective Date | | Cost Share Caps | <ul style="list-style-type: none"> • Creates an effective date of July 1, 2025 for SECTIONS 26, 28, 31, 33, 34, and 35 of the bill relating to limiting cost- |

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| | | | sharing for drugs used to treat diabetes, asthma, and heart conditions. |
| 40 | Effective Date | DOI Licensing of PBMs | <ul style="list-style-type: none"> Creates an effective date of October 1, 2025 for the Commissioner of DOI to promulgate regulations for SECTION 37 of the bill relating to DOI licensing PBMs in Massachusetts. |
| 41 | Effective Date | DOI Licensing of PBMs | <ul style="list-style-type: none"> Creates an effective date of January 1, 2026 for PBMs to be licensed in accordance with SECTION 37 in Massachusetts. |