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NCOIL TO EXPLORE CONTROVERSIAL PHARMACY BENEFIT MANAGER REGULATION

Troy, New York, July 7, 2006 – Should a pharmacy benefit manager (PBM) be required to disclose confidential financial information? Are patients and physicians consulted when a drug is substituted for a prescribed treatment? Would a fiduciary duty requirement for PBMs increase the cost of prescription drugs?

The Health, Long-Term Care, and Health Retirement Issues Committee of the National Conference of Insurance Legislators (NCOIL) will investigate answers to these questions and will determine whether to proceed with controversial model legislation on Friday, July 21, during the July 20 through 23 NCOIL Summer Meeting in Boston, Massachusetts.

A special roundtable discussion, scheduled for 9:15 a.m. to 10:15 a.m., will provide a forum for legislators to ask questions of expert panelists representing interests ranging from health plans and PBMs to state agencies and pharmacists.

Scheduled to participate in the roundtable are Regina Benjamin of the National Community Pharmacists Association (NCPA), David Czekanski of the Massachusetts Group Insurance Commission (GIC), Barbara Levy of the Pharmaceutical Care Management Association (PCMA), and Randi Reichel, who will represent America's Health Insurance Plans (AHIP).

Preliminary consideration of a proposed *Model Act Regarding Pharmacy Benefit Managers*, scheduled earlier from 8:00 a.m. to 9:15 a.m., will address key public policy

concerns. The model bill, sponsored by Delegate Harvey Morgan (VA), would, among other things, require that a PBM owe a fiduciary duty to a covered entity, provide transparency regarding financial and utilization information, disclose any conflict of interest presented by PBM activity, and follow drug substitution guidelines.

The Committee also will discuss current state PBM laws, as well as the status of bills introduced in state houses during the 2005-2006 legislative session.

NCOIL has considered PBM public policy issues for more than a year, including a special general session and a Committee hearing that featured debate on PBM practices.

The NCOIL Summer Meeting will be held at the Boston Park Plaza Hotel and Towers.

NCOIL is an organization of state legislators whose primary focus is insurance legislation and regulation. Many legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the Country. More information is available at www.ncoil.org.

For further details, please contact the NCOIL National Office at 518-687-0178 or at info@ncoil.org.

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