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HOUSE BILL NO. 2380

Offered January 13, 2025

Prefiled January 8, 2025

A BILL to direct the Secretary of Health and Human Resources, in consultation with the Attorney General, to convene the Pharmacy Benefits Manager and Third-Party Administrator Oversight Work Group; report.

Patron—Hodges

Referred to Committee on Rules

Be it enacted by the General Assembly of Virginia:

1. *§ 1. That the Secretary of Health and Human Resources, in consultation with Attorney General, shall convene the Pharmacy Benefits Manager and Third-Party Administrator Oversight Work Group (the Work Group) to examine the impact of Rutledge v. Pharmaceutical Care Management Association, 141 S. Ct. 474 (2020), and to formulate legislative recommendations for reducing prescription drug costs, minimizing health care expenses, reducing bureaucratic impediments to affordable health care, enhancing transparency, and improving overall health outcomes for residents of the Commonwealth. The primary objectives of the Work Group shall include:*

1. Conducting a thorough examination of the practices of pharmacy benefits managers and third-party administrators in the Commonwealth;

2. Identifying areas in which legislative or regulatory interventions can be implemented to decrease prescription drug costs and health care expenses;

3. Proposing measures to reduce bureaucratic impediments to affordable health care and to enhance transparency in the operations of pharmacy benefits managers and third-party administrators;

4. Recommending legislative changes to improve health outcomes for residents of the Commonwealth in relation to the practices of pharmacy benefits managers and third-party administrators; and

5. Exploring opportunities to promote generic drug manufacturing in the Commonwealth, with a particular focus on collaborations with research institutions, including the Medicines for All Institute at Virginia Commonwealth University.

The Work Group shall consist of representatives of the Office of the Attorney General, the Department of Health, the Bureau of Insurance within the State Corporation Commission, the pharmaceutical industry, and consumer advocacy groups and health care providers and professionals and other relevant stakeholders as determined by the Secretary of Health and Human Resources, including representatives from organizations involved in generic drug manufacturing and research. The Work Group shall be authorized to conduct hearings, gather data, and consult with experts, stakeholders, and relevant entities to fulfill its objectives. The Work Group shall submit a comprehensive report of its findings and legislative recommendations to the General Assembly no later than November 1, 2026. Such report shall include (i) specific legislative proposals aimed at addressing identified issues related to pharmacy benefits managers and third-party administrators and achieving the Work Group's objectives and (ii) recommendations for supporting and expanding generic drug manufacturing in the Commonwealth in collaboration with research institutions.

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