

PROPOSED AMENDMENT

HB 1238 # 6

DIGEST

Audit of Medicaid prescription drug cost sharing. Amends the law requiring an audit of prescription drug cost sharing for the Medicaid program once every three state fiscal years to provide that the first audit must be completed before November 1, 2022. Requires that the audit contain an examination of certain potential deceptive practices.

- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 12-15-13.6-1, AS ADDED BY P.L.196-2021,
4 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2022]: Sec. 1. **(a)** Once every three (3) state fiscal years:
6 (1) the state board of accounts; or
7 (2) an independent auditor with experience auditing expenses
8 related to prescription drugs that is hired by the state board of
9 accounts;
10 shall conduct an audit examining prescription drug cost sharing for the
11 Medicaid program.
12 **(b) The first audit required under this section must be**
13 **completed before November 1, 2022.**
14 SECTION 2. IC 12-15-13.6-3, AS ADDED BY P.L.196-2021,
15 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2022]: Sec. 3. An audit conducted under section 1 of this
17 chapter must:
18 **(1) evaluate all prescription drug cost sharing for the Medicaid**
19 **program for the audit look back period, including for prescription**
20 **drugs paid for directly by the Medicaid program and prescription**
21 **drugs paid for by managed care organizations; and**
22 **(2) include an examination of any potential deceptive**
23 **practices, including:**
24 **(A) spread pricing;**
25 **(B) patient steering;**
26 **(C) improper brand and generic definitions;**

- 1 **(D) effective rate claw backs;**
- 2 **(E) medical loss ratio inflation;**
- 3 **(F) formulary noncompliance;**
- 4 **(G) discriminatory pricing; and**
- 5 **(H) any other potential deceptive practice that the**
- 6 **secretary determines the audit should examine."**

7 Renumber all SECTIONS consecutively.

(Reference is to HB 1238 as printed January 18, 2022.)