

Helping Ohioans with  
Healthcare Benefit  
**Choices**



## **OAHU Regulatory Alert!**

**Prepared by John T. McGough**

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### **ODI Requires PBM Transparency**

Yesterday, Ohio Department of Insurance Director, Jillian Froment issued a Bulletin requiring insurers and pharmacy benefit managers (PBMs) “to act in good faith and to follow Ohio law” and to remove the “gag order” that prevents disclosing to consumers the most affordable prescription drug option available to them.

**Bulletin 2018-02** defines the following practices as a violation of the Ohio Revised Code Sections 3959.12(A)(5), 3923.02 and 3923.021:

1. Prohibiting any person, directly or indirectly, from informing, by any means, an individual about less expensive ways to purchase prescription drugs that may also be available under any insurance policy or benefit plan.
  
1. Requiring cost-sharing in an amount, or directing a pharmacy to collect cost-sharing in an amount, greater than the amount an individual would

pay for the prescription drug if the drug were purchased without coverage under a health benefit plan.

To read the Bulletin in its entirety, [click here](#).



John R. Kasich, Governor

Jillian Froment, Director

## **Press Release**

STATE OF OHIO  
DEPARTMENT OF INSURANCE  
COMMUNICATIONS OFFICE

**4/4/2018**

### **Ohio Requiring Prescription Drug Transparency for Consumers** Page Content

COLUMBUS – Ohio Department of Insurance Director Jillian Froment today issued a bulletin requiring heightened protections for Ohio consumers related to prescription drug prices. As consumers face rising health care costs, the bulletin provides Ohioans with better information that could help them save money on prescription drugs.

“Consumers have a right to better understand the cost of their prescription drugs and whether or not they can get those prescriptions filled at a lower cost,” Froment said. “We require insurers and pharmacy benefit managers to act in good faith and to follow Ohio law, but these explicit prohibitions will make expectations clear and will protect Ohio consumers.”

The bulletin requires insurers and pharmacy benefit managers (PBMs) to remove the “gag order” that prevents disclosing to consumers the most affordable prescription drug option available to them. Currently, some insurers and PBMs use contractual provisions to prevent pharmacists from discussing with consumers if other options are available to purchase their prescriptions at a lower cost. This bulletin would prohibit that practice.

In addition, the bulletin prohibits health insurers and PBMs from charging consumers more for their prescription drugs than what it would otherwise cost without insurance coverage. With the “gag order” removed, pharmacists would be free to discuss affordable options with consumers and consumers would be charged the lesser of their co-pay or the cost of the drug. For example, if a consumer has a \$20 co-pay for a prescription that only costs \$10 if purchased without insurance, the consumer must be charged the lesser amount.

“Needlessly charging Ohioans more for their prescriptions by keeping them in the dark is not defensible,” Froment added. “We are empowering consumers with more information and helping pharmacists provide their customers with more transparency and potentially cheaper options.”

[Bulletin 2018-02](#) has been posted to the Ohio Department of Insurance’s website and will take effect immediately. Ohioans can contact the Department at 1-800-686-1526 or visit [www.insurance.ohio.gov](http://www.insurance.ohio.gov) to ask questions about their prescription drug coverage and to file a complaint if they feel their claims have been unfairly denied.

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**OAHU Association Office: 4036 Center Road, Suite B, Brunswick, OH 44212**  
**Phone 330-273-5756 · Fax (216) 803-9900 · [Sheri@ohioahu.org](mailto:Sheri@ohioahu.org)**

Government Affairs Office  
John McGough · 50 W. Broad Street, Columbus OH 43215  
Phone: 614-221-5771 · Fax: 614- 221-2865 · [jmcgough@mcgough-inc.com](mailto:jmcgough@mcgough-inc.com)