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State of California
Health and Human Services Agency
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DMHC Task Force on Pharmacy Benefit Management Reporting

DEPARTMENT OBJECTIVE:

The mission of the California Department of Managed Health Care (DMHC) is to protect consumers' health care rights and ensure a stable health care delivery system. The DMHC accomplishes its mission by ensuring the health care system works for consumers. The Department protects the health care rights of more than 26 million Californians by regulating health care service plans, assisting consumers through a consumer Help Center, educating consumers on their rights and responsibilities and preserving the financial stability of the managed health care system.

TASK FORCE OBJECTIVE:

Assembly Bill (AB) 315 (Wood, Chapter 905, Statutes of 2018) seeks to provide greater transparency of pharmacy benefit managers (PBMs) and prescription drug costs. This bill establishes various reporting requirements between PBMs and health care service plans and requires PBMs contracting with health plans to register with the DMHC. In addition, AB 315 requires the DMHC to create a Task Force on Pharmacy Benefit Management Reporting by July 1, 2019. The Task Force will make recommendations on what information DMHC should require to be reported by health care service plans or their contracted PBMs. The DMHC will submit a report of the Task Force's recommendations to specified persons and entities within the Legislature.

GENERAL DESCRIPTION:

Health and Safety Code (HSC) Section 1385.007 of the Knox-Keene Act establishes the Task Force on Pharmacy Benefit Management Reporting. The Task Force will be composed of at least ten members, including the Director of the DMHC, or her designee, and nine persons who are appointed by the Director. The Task Force will meet at least monthly from June 2019 to December 2019 to develop recommendations regarding what information health plans or their contracted PBMs should report to the DMHC.

At a minimum the Task Force will consider the following:

- Wholesale acquisition costs of pharmaceuticals
- Rebates obtained by health care service plans or PBMs from pharmaceutical manufacturers
- Payments to network pharmacies
- Exclusivity arrangements between health care service plans or contracted PBMs with pharmaceutical manufacturers.

Protecting the Health Care Rights of More Than 26 Million Californians
Contact the DMHC Help Center at 1-888-466-2219 or www.HealthHelp.ca.gov

Department of Managed Health Care Task Force on Pharmacy Benefit Management Reporting

JOB DESCRIPTION:

Task Force members are expected to review all materials in advance of the Task Force meetings in order to actively participate in discussions and provide meaningful contributions to the Task Force deliberations on matters affecting pharmaceutical costs and transparency. In addition, Task Force members will make recommendations on what information related to pharmaceutical costs, if any, the department should require health care service plans or their contracted PBMs to report. The Task Force acts as an advisor to the Director and does not have direct decision-making authority. Task Force members are expected to attend all meetings of the Task Force.

KNOWLEDGE AND ABILITY REQUIREMENTS:

Members will include individuals with training and experience in subject areas or fields such as medical and health care economics, pharmacy practice, pharmacy laws and regulations, actuarial studies, prescription drug regulation and distribution, and management and administration in integrated and affiliated health care delivery systems.

MEETING FREQUENCY

The Task Force will meet in person at least one day per month in Sacramento from June 2019 to December 2019. Additionally meetings or conference calls may be scheduled as needed. Members are expected to maintain consistent and regular attendance at meetings.

COMPENSATION:

Task Force members serve without compensation, but are reimbursed for travel expenses to and from the Task Force meetings.

TERM LENGTH:

The members are appointed by the Director for a term of seven months.

ADDITIONAL REQUIREMENTS:

Task Force meetings are subject to the requirements of the Bagley-Keene Open Meeting Act. Meetings must be preceded by a publicly distributed Notice and Agenda. Attendance by a Task Force member by telephone or other electronic means is prohibited unless the location of the member is identified in the Notice and Agenda, and the public is permitted to attend the meeting from that location. Substantive discussions of matters being considered by the Task Force may occur only during a public meeting, including discussions regarding materials distributed in advance of a meeting.

REFERENCE MATERIALS:

[Prescription Drug Cost Transparency Report \(SB 17\)](#)

[Large Group Aggregate Rates and Prescription Drug Costs Public Meeting Presentation](#)