

LEGAL UPDATE

New Rule Requires Reporting of Medical and Prescription Drug Costs

On Nov. 17, 2021, the Departments of Labor (DOL), Health and Human Services (HHS) and the Treasury (Departments) released an [interim final rule](#) requiring health plans and issuers to report information regarding the cost of prescription drugs and certain medical expenses. This rule is a continuation of the Biden administration's efforts to promote greater transparency in health care spending.

Overview of the Interim Final Rule

This rule requires plans and issuers in the group and individual markets to submit certain information on prescription drug and other health care spending to the Departments annually, including:

- General information regarding the plan or coverage;
- Enrollment and premium information, including average monthly premiums paid by employees versus employers;
- Total health care spending, including prescription drug spending by enrollees versus employers and issuers;
- The 50 most frequently dispensed brand prescription drugs, the 50 costliest prescription drugs by total annual spending, and the 50 prescription drugs with the greatest increase in plan or coverage expenditures from the previous year;
- Prescription drug rebates, fees and other compensation paid by drug manufacturers to the plan or issuer in each therapeutic class of drugs, as well as for each of the 25 drugs that yielded the highest amount of rebates; and
- The impact of prescription drug rebates, fees and other compensation on premiums and out-of-pocket costs.

The Departments will issue biennial public reports on prescription drug pricing trends and the impact of prescription drug costs on premiums and out-of-pocket costs starting in 2023.

Provided to you by **National Insurance Services**

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Important Dates

Nov. 17, 2021

A rule is issued requiring disclosure of certain health care costs.

Dec. 27, 2022

Plans and issuers were generally required to begin reporting by Dec. 27, 2021, and to submit information by June 1 of each year thereafter. **However, the Departments delayed the reporting requirement for 2020 and 2021 information until Dec. 27, 2022.**

The Departments will not take enforcement action against a plan or issuer that submits the required information for 2020 and 2021 by Dec. 27, 2022.

