

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

House Bill 5556

By Delegates Holstein, J. Cannon, Linville, Rohrbach,
and Funkhouser

[Introduced February 16, 2026; referred to the
Committee on Health and Human Resources]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new section,
2 designated §9-5-29b, relating to the Department of Human Services establishing an
3 external reference pricing pilot program for prescription drugs.

Be it enacted by the Legislature of West Virginia:

ARTICLE 5. MISCELLANEOUS PROVISIONS.

§9-5-29b. External reference pricing pilot program.

1 (a) The Department of Human Services may establish a pilot program applying external
2 reference pricing for selected high-cost prescription drugs purchased or reimbursed under the
3 state Medicaid program.

4 (b) For purposes of this section, “external reference pricing” means setting a maximum
5 reimbursement rate for a prescription drug based on the lowest price paid for the same or
6 therapeutically equivalent drug in one or more comparable industrialized nations, or as
7 established through a federally recognized most-favored-nation pricing methodology.

8 (c) The pilot program shall:

9 (1) Apply only to a limited number of prescription drugs identified by the department as
10 having significant cost impact on the Medicaid program;

11 (2) Exclude drugs for which no appropriate international price comparison exists;

12 (3) Preserve beneficiary access to medically necessary medications.

13 (d) The department may:

14 (1) Negotiate supplemental rebates with manufacturers;

15 (2) Establish exceptions or alternative reimbursement rates when necessary to prevent
16 drug shortages or access disruptions; and

17 (3) Coordinate pricing methodologies with federal prescription drug pricing initiatives when
18 available.

19 (e) The pilot program shall be implemented for a period not to exceed three years, unless
20 extended by the Legislature.

21 (f) No later than December 1 of each year during the pilot period, the department shall
22 submit a report to the Joint Committee on Government and Finance evaluating:

23 (1) Cost savings achieved;

24 (2) Effects on drug availability and beneficiary access;

25 (3) Manufacturer participation; and

26 (4) Recommendations for continuation, modification, or termination of the program.

27 (g) Nothing in this section may be construed to require participation by private insurers or
28 to alter existing pharmaceutical benefit contracts outside the Medicaid program.

NOTE: The purpose of this bill is to authorize the Department of Human Services to establishing an external reference pricing pilot program for prescription drugs.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.