Specialty Tier Reform Update – Week of October 12, 2015

By Mark Hobraczk, JD, MPA

STATES

California

Governor signs measure limiting out-of-pocket drug costs

Governor Jerry Brown (D) signed into law last week a new measure that will require insurers to limit out-of-pocket (OOP) costs for prescription drugs.

A.B. 339 applies to non-grandfathered health plans offering outpatient prescription drug coverage on or after January 1, 2017. Under the new law, they must limit cost-sharing to no more than $250 for a 30-day supply of an individual prescription, or $500 for bronze tier plans as defined by the Affordable Care Act (see Specialty Tier Reform Update for Week of September 7th). These are consistent with limits recently adopted by Covered California but must be renewed by the legislature to continue past January 1, 2020.

The bill also would prohibit formularies from "discouraging the enrollment of individuals with health conditions and [not reducing] the generosity of the benefit" for a particular condition in a manner that is "not based on a clinical indication or reasonable medical management practices." This is a change from the initial versions of A.B. 339 that prohibited insurers from moving all or most drugs for a specific condition into drug tiers requiring consumer pay a percentage coinsurance.

New Jersey

Committee rejects bills limiting cost-sharing for prescription drugs

The Pension and Health Benefits Commission rejected House and Senate bills last week that would have required health insurers to limit cost-sharing for prescription drug coverage.

The identical measures (S.3142 and A.4595) sought to a $100 per month limit on out-of-pocket costs for a 30-day supply of drugs covered under silver, gold, or platinum plans and a comparable $200 per month limit on lower-tier bronze coverage (see Specialty Tier Reform Update for Week of August 10th).