



Specialty Tier Reform Update – Weeks of April 28 and May 5, 2014

By Mark Hobraczk

STATES

California

Health committee approves bill limiting prescription drug cost-sharing

The Assembly Health Committee passed A.B. 1917 this week, which would require (starting in 2016) that cost-sharing for covered outpatient prescription drugs not exceed 1/24 of the annual out-of-pocket limit for an individual prescription or supply of up to 30 days. The bill would also require that an enrollee who is eligible for a reduction in cost sharing through a qualified health plan offered through an Affordable Care Act (ACA) Marketplace not be required to pay in any single month more than 1/24 of the annual limit on out-of-pocket expenses for that product limit for a drug that does not have a time-limited course of treatment or that has a time-limited course of treatment of more than three months. For a drug that has a time-limited course of treatment of three months or less, A.B. 1917 would require that the cost-sharing not exceed 1/2 of the annual out-of-pocket limit.

The measure now moves to the Assembly Appropriations Committee.

Louisiana

Specialty tier bill clears Senate and first House committee

The House Insurance Committee unanimously passed S.B. 165 this week, only one week after it cleared the full Senate with only one dissenting vote (see Specialty Tier Reform Update for Week of April 21st). The measure would limit coinsurance or copayments applied to drugs on a specialty tier to not more than \$150 per month for each specialty drug or up to a 30-day supply of any single drug.

Floor amendments made clear that such limit is to be inclusive of any copayment or coinsurance and apply after any deductible and until the individual's maximum out-of-pocket limit has been reached. The measure was previously amended by the Senate Insurance Committee to remove prohibitions on specialty tier coinsurance and out-of-pocket limits for prescription drugs that were in the original version (see Specialty Tier Reform Update for Week of February 24th).

Maryland

Governor signs legislation limiting cost-sharing for specialty tier drugs

Governor Martin O'Malley (D) signed H.B. 761 this week, which prohibits health plans from imposing a copayment or coinsurance for covered specialty drugs that exceeds \$150 for up to a 30-day supply (adjusted for medical care inflation), starting January 1, 2016 (see Specialty Tier Reform Update for Week of March 24th). The same limit was enacted last year in Delaware (see Specialty Tier Reform Update for Week of July 29th).