Specialty Tier Reform Update – Week of September 22, 2014

By Mark Hobraczk

STATES

Michigan

New measure would limit out-of-pocket costs for tiered formulary drugs

Senator David Robertson (R) introduced S.B. 1083 this week, which requires that insurers using tiered formularies for prescription drugs must limit out-of-pocket (OOP) expenditures for a 30-day supply of a single drug to no more than $100. Annual OOP limits also must not be greater than 50 percent of the maximum limit set by the Affordable Care Act (currently $6,350 per individual or $12,700 per family).

The measure, which would be effective six months after enactment, specifically does not prohibit the use of tiered cost-sharing structures, but does require an exceptions process that would allow a non-formulary drug to be covered as a formulary drug in certain situations.

S.B. 1083 was referred to the Committee on Insurance.

Ohio

New measure would limit out-of-pocket costs for specialty drugs in individual and group plans

Senator Capri Cafaro (D) introduced S.B. 364 this week, which would limit total out-of-pocket (OOP) costs for specialty drugs under individual and group health plans (including state or public employee benefit plans).

The measure, which would be effective January 1st, specifically would limit cost sharing for specialty drugs to no more than $150 for a one-month supply. It requires an exception process where subscribers can request that a specialty drug not listed on a preferred drug formulary may be covered and subject to the same cost sharing requirements as formulary drugs.