



Specialty Tier Reform Update – Week of July 13, 2015

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STATES

California

Senate committee passes amended Assembly bill to limit out-of-pocket drug costs

The Senate Health Committee made further amendments this week to Assembly-passed legislation that would limit out-of-pocket costs for prescription drugs.

The amended version of A.B. 339 passed the committee with only two dissenting votes and now moves to Appropriations. The committee had substantially amended the measure after receiving it from the Assembly, changing the limit from 1/24 of the annual out-of-maximum allowed by the Affordable Care Act to \$250 for a 30-day supply of a single drug (see Specialty Tier Reform Update for Week of July 6th). Those amendments also relaxed a controversial prohibition on moving all drugs for a specific condition into tiers that impose the highest cost-sharing.

The latest amendments retain those changes but add a sunset clause that would terminate the \$250 out-of-pocket limit on January 1, 2021. They also add language stating that the bill “prohibit[s] the formulary....or health insurers from discouraging the enrollment of individuals with health conditions and from reducing the generosity of the benefit for enrollees or insureds with a particular condition.”

Massachusetts

Hearing set for bill that would limit out-of-pocket costs for prescription drugs

The Joint Committee on Financial Services has set a July 21st hearing on legislation that would limit consumer out-of-pocket costs for specialty drugs and other prescription medications.

Sponsored by Rep. Marjorie Decker (D), H.828 would require separate out-of-pocket limits for prescription drugs that cannot exceed the minimum annual deductible for high-deductible health plans set by the Affordable Care Act (ACA). The limitation would apply to individual and group plans, including health maintenance organizations (see Specialty Tier Reform Update for Week of March 23rd).