



Specialty Tier Reform Update – Week of October 10, 2016

By Mark Hobracszk, JD, MPA

STATES

New Jersey

Bill limiting prescription drug cost-sharing clears first committee

The Assembly Financial Institutions and Insurance Committee favorably reported legislation this week that would limit cost-sharing for prescription drugs.

A.2337 (and its identical counterpart S.814) are resurrected legislation from last session that were reintroduced earlier this year. Under the current bills, health insurers that cover prescription drugs would have to limit enrollee cost-sharing to no more than \$100 per month for up to a 30-day supply of each prescription drug for all but the bronze or catastrophic tiers of coverage. The limit for bronze plans could not exceed \$200 per month for up to a 30-day supply while catastrophic coverage would remain exempt from such limits.

The cost-sharing limits would apply at any point in the benefit design, including before and after any applicable deductible is reached, except for high-deductible health plans.

Pennsylvania

Senate committee to hear legislation limiting specialty drug cost-sharing

The Senate Banking and Insurance Committee has scheduled an October 25th hearing on legislation that would limit annual out-of-pocket costs for specialty drugs.

S.B. 841 introduced last year by Senator Bob Mensch (R) seeks to explicitly limit cost-sharing charges for a specialty tier prescription drug to not more than \$100 per month for a 30-day supply (or an aggregate cost for all specialty tier drugs of no more than \$200 per month)(see Update for Weeks of May 18 and 25, 2015). However, the specific dollar limits may be changed following the committee's mark-up.

A separate provision of the bill bars health plans from place all prescription drugs of the same class in a specialty tier. This provision may also not survive as comparable prohibitions have been stripped out of legislation in several states including Connecticut, Louisiana, and Oregon (see Update for Week of May 11, 2015) even though such a practice was determined to be discriminatory by the insurance commissioners in Florida and Illinois, as well as the federal Centers for Medicare and Medicaid Services (see Update for Week of February 23, 2015).

Rhode Island

Governor signs law requiring plan notification of changes in prescription drug cost-sharing

Governor Gina Raimondo (D) signed S. 2294 into law late last month. The measure requires that health insurers give subscribers at least a 30-day notice before implementing any changes to the preferred or tiered cost-sharing status of a coverage prescription drug. However, drugs deemed unsafe may be removed from a plan formulary without any notice.