

HB 6587 -- Redline

File No. 309 to File No. 793 -- AN ACT CONCERNING HEALTH INSURANCE COVERAGE FOR EPINEPHRINE CARTRIDGE INJECTORS, HEALTH CARRIERS, PHARMACY BENEFITS MANAGERS AND THE COST IMPACT OF CERTAIN MANDATED HEALTH INSURANCE BENEFITS.

Deletions ~~struck~~ · Insertions underlined

House of Representatives ~~General Assembly~~ File No.

~~309~~793 ~~General Assembly~~ January Session, ~~2021~~2021(~~Reprint Substitute of House File Bill~~ No.

~~6587~~309) ~~Substitute House of Bill~~ Representatives, No. ~~April 7, 2021 The Committee on Insurance and Real Estate reported through REP.~~

~~WOOD, 6587 K.~~ As Amended by House Amendment Schedule "A" Approved by the Legislative Commissioner June 5, 2021 AN ACT CONCERNING HEALTH INSURANCE COVERAGE FOR EPINEPHRINE CARTRIDGE INJECTORS, HEALTH CARRIERS, PHARMACY BENEFITS MANAGERS AND THE COST IMPACT OF CERTAIN MANDATED HEALTH INSURANCE BENEFITS.

~~of the 29th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.~~

~~AN ACT REQUIRING HEALTH INSURANCE COVERAGE FOR EPINEPHRINE CARTRIDGE INJECTORS.~~

(NEW) (Effective January 1, 2022) (a) Each individual health insurance policy providing coverage of the type specified in subdivisions (1), (2), (4), (11), (12) and (16) of section 38a-469 of the general statutes delivered, issued for delivery, renewed, amended or continued in this state on or after January 1, 2022, that includes coverage ~~for outpatient prescription drugs shall provide coverage for epinephrine for~~ outpatient prescription drugs shall provide coverage for at least one epinephrine cartridge injectors, injector, as defined in section 19a-909 of the general statutes.

(b) No policy described in subsection (a) of this section shall impose a coinsurance, copayment, deductible or other out-of-pocket expense for ~~an~~the epinephrine cartridge injector ~~in that an such amount policy that is greater required than to twenty-five cover~~ dollars. ~~SHB6587 / File No.~~

~~The 793 provisions of this subsection shall apply to a high deductible health plan, as that term is used in subsection (f) of section 38a-493 of the general statutes, to the maximum extent permitted by federal law, except if such plan is used to establish a medical savings~~ ~~SHB6587 / File No.~~

~~309~~793 ~~pursuant to SHB6587 to File said No. subsection (a) in an amount that is greater than twenty-five~~ dollars.

~~309~~The provisions of this subsection shall apply to a high deductible health plan, as that term is used in subsection (f) of section 38a-493 of the general statutes, to the maximum extent permitted by federal law, except if such plan is used to establish a medical savings account or an Archer MSA pursuant to Section 220 of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, or a health savings account pursuant to Section 223 of said Internal Revenue Code, as amended from time to time, the provisions of this subsection shall apply to such plan to the maximum extent that (1) is permitted by federal law, and (2) does not disqualify such account for the deduction allowed under said Section 220 or 223, as applicable.

(NEW) (Effective January 1, 2022) (a) Each group health insurance policy providing coverage of the type specified in subdivisions (1), (2), (4), (11), (12) and (16) of section 38a-469 of the general statutes delivered, issued for delivery, renewed, amended or continued in this state on or after January 1, 2022, that includes coverage ~~for outpatient prescription drugs shall provide coverage for epinephrine for~~ outpatient prescription drugs shall provide coverage for at least one epinephrine cartridge injectors, injector, as defined in section 19a-909 of the general statutes.

(b) No policy described in subsection (a) of this section shall impose a coinsurance, copayment, deductible or other out-of-pocket expense for ~~an~~the epinephrine cartridge injector that such policy is required to cover pursuant to said subsection (a) in an amount that is greater than ~~twenty-five~~ twenty-five dollars.

The provisions of this subsection shall apply to a high deductible health plan, as that term is used in subsection (f) of ~~section 38a-520~~ section of the general statutes, to the maximum extent ~~38a-520 of the general statutes, to the maximum extent~~ permitted by federal law, except if such plan is used to establish a medical savings account or an Archer MSA pursuant to Section 220 of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, or a health savings account pursuant to Section 223 of said Internal Revenue Code, as amended from time to time, the provisions of this subsection ~~shall~~ SHB6587 apply/ to File such No. plan to the maximum extent that (1) is permitted by federal law, and (2) does not disqualify such account for the deduction allowed under said Section 220 or 223, as applicable.

~~This 793 acts~~ SHB6587 shall File take No. effect as follows and shall amend the following sections:

~~Section 793~~ 1 shall January apply 1, to 2022 such New plan section to SHB6587 the /maximum File extent No. that (1) is permitted by federal law, and (2) does not disqualify such account for the deduction allowed under said Section 220 or 223, as applicable.

~~300~~Sec. ~~2~~ ~~sHB6587 File No.~~

~~300~~3. ~~Sec.~~

~~2~~Section ~~January~~38a-479000 ~~1~~, of ~~2022~~the ~~Now~~general ~~section~~statutes ~~INS~~is ~~Joint~~repealed ~~Favorable~~and ~~Subst.~~the following is substituted in lieu thereof (Effective January 1, 2022):

For the purposes of this part and section 4 of this act:

(1) "Commissioner" means the Insurance Commissioner.

(2) "Department" means the Insurance Department.

(3) "Drug" has the same meaning as provided in section 21a-92.

(4) "Health care plan" means an individual or a group health insurance policy that provides coverage of the types specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469 and includes coverage for outpatient prescription drugs.

(5) "Health carrier" means an insurance company, health care center, hospital service corporation, medical service corporation, fraternal benefit society or other entity that delivers, issues for delivery, renews, amends or continues a health care plan in this state.

(6) "Person" has the same meaning as provided in section 38a-1.

(7) "Pharmacist" has the same meaning as provided in section 38a- 479aaa.

(8) "Pharmacist services" has the same meaning as provided in section 38a-479aaa.

(9) "Pharmacy" has the same meaning as provided in section 38a- 479aaa.

(10) "Pharmacy benefits manager" or "manager" means any person that administers the prescription drug, prescription device, pharmacist services or prescription drug and device and pharmacist services sHB6587 / File No.

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793 portion of a health care plan on behalf of a health carrier.

(11) (A) "Rebate" means a discount or concession, which affects the price of an outpatient prescription drug, that a pharmaceutical manufacturer directly provides to a (i) health carrier for an outpatient prescription drug manufactured by the pharmaceutical manufacturer, or (ii) pharmacy benefits manager after the manager processes a claim from a pharmacy or a pharmacist for an outpatient prescription drug manufactured by the pharmaceutical manufacturer.

(B) "Rebate" does not mean a bona fide service fee, as such term is defined in Section 447.502 of Title 42 of the Code of Federal Regulations, as amended from time to time.

(12) "Specialty drug" means a prescription outpatient specialty drug covered under the Medicare Part D program established pursuant to Public Law 108-173, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, as amended from time to time, that exceeds the specialty tier cost threshold established by the Centers for Medicare and Medicaid Services.

Sec.

4.

(NEW) (Effective January 1, 2022) On and after January 1, 2022, each contract entered into between a health carrier and a pharmacy benefits manager that requires the pharmacy benefits manager to administer the prescription drug, prescription device, pharmacist services or prescription drug and device and pharmacist services portion of a health care plan on behalf of the health carrier shall, if the pharmacy benefits manager utilizes a tiered prescription drug formulary, require the pharmacy benefits manager to include at least one covered epinephrine cartridge injector, as defined in section 19a-909 of the general statutes, in the cost-sharing tier that imposes the lowest coinsurance, copayment, deductible or other out-of-pocket expense for covered prescription drugs.

Sec.

5.

(NEW) (Effective January 1, 2022) (a) For the purposes of this section:

~~300~~793-3 sHB6587 File No.

~~300~~793 The (1) following "Affordable Fiscal Care Impact Act" Statement has and Bill Analysis are prepared for the benefit same of meaning the as members provided of in the section General 38a-1080 Assembly, solely for purposes of information, summarization and explanation and do not represent the intent general of statutes; the General Assembly or either chamber thereof for any purpose.

(2) "Exchange" has the same meaning as provided in section 38a-1080 of the general statutes;

(3) "Health benefit plan" has the same meaning as provided in section 38a-1080 of the general statutes, except that such term shall not include a grandfathered health plan as such term is used in the Affordable Care Act;

(4) "Office of Health Strategy" means the Office of Health Strategy established under section 19a-754a of the general statutes;

and (5) "Qualified health plan" has the same meaning as provided in section 38a-1080 of the general statutes.

(b) The Office of Health Strategy shall, at least annually, conduct a study to determine the impact that:

(1) The requirements established in section 1 of this act have on the cost of the individual health insurance policies that are subject to such requirements;

(2) The requirements established in section 2 of this act have on the cost of the group health insurance policies that are subject to such requirements;

and (3) The requirements established in section 4 of this act have on the cost of health benefit plans offered, delivered, issued for delivery, renewed, amended or continued in this state and qualified health plans offered and sold through the exchange.

(c) Not later than January 31, 2023, and annually thereafter, the Office of Health Strategy shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the Insurance Commissioner and the joint standing committee of the General Assembly having cognizance of matters relating to insurance.

Such SHB6587 / File No.

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793 report shall disclose the results of the study conducted pursuant to subsection (b) of this section for the preceding year.

This act shall take effect as follows and shall amend the following sections:

Section 1 January 1, 2022 New section Sec.

2 January 1, 2022 New section Sec.

3 January 1, 2022 38a-479000 Sec.

4 January 1, 2022 New section Sec.

5 January 1, 2022 New section SHB6587 / File No.

793 6 SHB6587 File No.

793 The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose.

The state employee and retiree health planplans already providesprovide coverage in accordance with the bill .1. The bill may result in a potential cost to fully-insured municipalities, to the extent that providing coverage below the out-of-pocket threshold may increase premiums reflected in plan years beginning on and after January 1, 2022.

1 The Outbill Yearsmay Theresult annualizedin ongoinga fiscalpotential impactcost identifiedto abovefully-insured wouldmunicipalities, continueintothe extent that providing coverage below the futureout-of-pocket subjectthreshold tomay inflation.increase premiums reflected in plan years beginning on and after January 1, 2022.

1PursuantThe tocost federalrelative law,to self-insuredthe plansoverall arepremium exemptis fromanticipated stateto healthbe mandates-minimal.

The bill also requires the Office of Health Strategy to annually study the impact the bill has on the cost of health insurance policies.

It is anticipated that the agency can conduct this study within existing resources.

Pursuant to federal law, self-insured plans are exempt from state health mandates.

300793-4 SHB6587 File No.

300793 OLRHouse Bill"A" Analysisstruck SHBthe 6587underlying ANbill ACTand REQUIRINGresults HEALTHin INSURANCEthe COVERAGEfiscal FORimpact EPINEPHRINEdescribed CARTRIDGEabove.-INJECTORS-

SUMMARYThe ThisOut billYears (1)The requiresannualized certainongoing healthfiscal insuranceimpact policiesidentified thatabove coverwould outpatientcontinue prescriptioninto drugthe tofuture coversubject epinephrine cartridge injectors (e.g., EpiPens) and (2) limits an insured's cost sharing (e.g., copayment, coinsurance, or deductible) for an injector to noinflation.-more than \$25-

The cost-sharingpreceding capFiscal appliesImpact tostatement allis applicableprepared policies,for butthe onlybenefit appliesof tothe highmembers deductibleof healththe plansGeneral toAssembly, solely forthe extentpurposes federalof lawinformation, permitssummarization itand explanation and asdoes longnot asrepresent itthe doesintent notof disqualifythe aGeneral medicalAssembly or healththeither savingschamber accountthereof fromfor preferableany taxpurpose.-treatment-

ByIn law,general, "epinephrinefiscal cartridgeimpacts injector"are meansbased anupon automatica prefilledvariety cartridgeof injectorconsulted oras similarpart automaticof injectablethe equipmentanalysis, usedhowever tofinal deliverproducts epinephrinedo innot anecessarily standardreflect dosefor an emergencyassessment firstfrom aidany responsespecific todepartment.-allergic reactions-

SHB6587 / File No.

793 8 SHB6587 File No.

793 OLR Bill Analysis SHB 6587 (as amended by House "A")* AN ACT REQUIRING HEALTH INSURANCE COVERAGE FOR

EPINEPHRINE CARTRIDGE INJECTORS.

SUMMARY This bill (1) requires certain health insurance policies that cover outpatient prescription drugs to cover at least one epinephrine cartridge injector (e.g., EpiPen) and (2) limits an insured's cost sharing (e.g., copayment, coinsurance, or deductible) for the injector to no more than \$25.

(See below for the applicability of these provisions.) By law, "epinephrine cartridge injector" means an automatic prefilled cartridge injector or similar automatic injectable equipment used to deliver epinephrine in a standard dose for an emergency first aid response to allergic reactions.

Under the bill, each contract between a health carrier (e.g., insurer or HMO) and a pharmacy benefits manager (PBM) that requires the PBM to administer a health care plan's pharmacy benefits on the carrier's behalf must also require the PBM, if it uses a tiered prescription drug formulary (i.e., list of covered drugs), to include at least one covered epinephrine cartridge injector in the lowest cost-sharing tier.

Lastly, the bill requires the Office of Health Strategy (OHS), at least annually, to conduct a study to determine the impact the bill's requirements have on the cost of affected health insurance policies, including qualified health plans offered on the exchange (i.e., Access Health CT).

Beginning by January 31, 2023, OHS must annually report its findings to the insurance commissioner and the Insurance and Real Estate Committee.

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793 *House Amendment "A" (1) specifies that affected insurance policies must cover at least one epinephrine cartridge injector and (2) adds the PBM formulary and OHS provisions.

January 1, 2022 APPLICABILITY OF INSURANCE COVERAGE REQUIREMENT The bill applies to individual and group health insurance policies delivered, issued, renewed, amended, or continued in Connecticut on or after January 1, 2022, that cover (1) basic hospital expenses;

~~SHB6587~~ APPLICABILITY OF File COST-SHARING No. PROVISION The bill's cost-sharing provision applies to each plan described above.

~~309 5 SHB6587 File No.~~

~~309 APPLICABILITY OF COST-SHARING PROVISION~~ The bill's cost-sharing provision applies to each plan described above.

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