HOUSE DOCKET, NO. 3634   FILED ON: 1/20/2017

HOUSE . . . . No. 2963

The Commonwealth of Massachusetts

PRESENTED BY:

Daniel J. Hunt

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to health insurance consumer protections.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Daniel J. Hunt	*13th Suffolk*

HOUSE DOCKET, NO. 3634 FILED ON: 1/20/2017

HOUSE . . . . No. 2963

By Mr. Hunt of Boston, a petition (accompanied by bill, House, No. 2963) of Daniel J. Hunt relative to health benefit plans and pharmacy benefit managers . Financial Services.

The Commonwealth of Massachusetts

In the One Hundred and Ninetieth General Court
(2017-2018)

An Act relative to health insurance consumer protections.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Section 1. Chapter 176O (Health Insurance Consumer Protections) of the Massachusetts
2 General Laws is hereby amended by adding a new Section 28 to read as follows:

3 Section 28. Increasing transparency regarding health benefit plans and pharmacy
4 benefit managers

5 Each carrier that offers a health benefit plan in this State, and each pharmacy benefit
6 manager that contracts with a carrier that offers a health benefit plan in this State, shall submit to
7 the Division on an annual basis and with respect to each health benefit plan the following
8 information:

9 (a) The number of requests for exceptions to the health benefit plan’s formulary
10 approved and denied;

11 (b) The number and percentage of requests for exceptions approved and denied for
12 certain therapeutic classes identified by the Division

13 (c) A list of all services subject to prior authorization or other utilization
14 management, the utilization management applied to such item or service, and the clinical or other
15 rationale for the utilization management;

16 (d) The methodology used for any study done to inform coverage, formulary
17 placement or utilization management for any medical item or service, including which standard
18 for observational research was followed;

19 (e) The medical credentials of each individual who is authorized to make medical
20 necessity decisions for each medical specialty area, and whether or not he or she is currently
21 practicing and the medical specialty in which he or she is currently licensed to practice.

22 (f) The number of pharmacy claims transactions approved and rejected due to a prior
23 authorization or other utilization management requirement, such as step therapy;

24 (g) The number and rates of pharmacy claims transactions approved and rejected due
25 to a prior authorization or other utilization management requirement for certain therapeutic
26 classes identified by the Division;

27 (h) The proportion of insureds who do not fill a prescription for an alternative therapy
28 within 60 days of a denial of a request for an exception and the proportion of insureds who do
29 not fill a prescription for an alternative therapy within 60 days of an initial rejection of a
30 pharmacy claim transaction pursuant to a prior authorization or other utilization management
31 requirement;

32 (i) For any product which purports to manage care or preferentially cover one or
33 more choice among options for care by beneficiaries or their providers, the medical credentials

34 of each individual who is authorized to provide or interpret such guidance for each medical
35 specialty area, and whether or not he or she is currently providing care directly to insureds and
36 the medical specialty in which he or she is currently licensed to practice; and

37 (j) The total dollars spent on research to support and develop the clinical criteria used
38 in making coverage determinations for items and services not specifically listed in the benefits
39 contract as excluded from coverage under the health benefit plan.

40 (k) A study of differences in payment amounts for pharmacy services provided to
41 beneficiaries in health care service plans that utilize pharmacy benefit managers, as compared to
42 payment amounts for pharmacy services provided to beneficiaries in health care service plans
43 that do not utilize pharmacy benefit managers. Such a study would assess, among other items,
44 whether such plans are acting in a manner that maximizes competition and results in lower
45 overall prescription drug prices for plan enrollees.