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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO INSURANCE - PRESCRIPTION DRUG COVERAGE

Introduced By: Senators Nesselbush, Cool Rumsey, and Goldin

Date Introduced: February 27, 2014

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 27-18 of the General Laws entitled "Accident and Sickness  
2 Insurance Policies" is hereby amended by adding thereto the following section:

3 **27-18-82. Establishing prescription drug out-of-pocket limits.** – (a) As used in this  
4 section, the following words shall have the following meaning:

5 (1) "Out-of-pocket expenditure" means any and all co-payment, coinsurance, deductible,  
6 or other cost-sharing mechanism.

7 (b) A health plan that provides coverage for prescription drugs shall:

8 (1) Ensure that any required out-of-pocket expenditure applicable to a drug does not  
9 exceed one hundred dollars (\$100) per month for up to a thirty (30) day supply of such drug; and

10 (2) Limit a beneficiary's annual out-of-pocket expenditures for prescription drugs to no  
11 more than fifty percent (50%) of the dollar amounts in effect under section 1302(c)(1) of the U.S.  
12 Affordable Care Act for self-only and family coverage, respectively.

13 (c) Nothing in this section shall be construed to require a health plan to provide coverage  
14 for any additional drugs not otherwise required by law.

15 **27-18-83. Step-therapy programs.** – (a) As used in this section the following words  
16 shall, unless the context clearly requires otherwise, have the following meanings:

17 (1) "Step-therapy" means protocols that establish the specific sequence in which  
18 prescription drugs for a specified medical condition are to be prescribed.

19 (b) Any policy, contract, agreement, plan or certificate of insurance issued, delivered or

1 renewed within the state that provides coverage for prescription drugs and uses step-therapy  
2 protocols shall:

3 (1) Provide the prescriber with a clear and convenient process to expeditiously request an  
4 override of such restriction, which shall be granted whenever the prescriber can demonstrate that:

5 (i) The patient is currently stabilized on the treatment which is being requested; or

6 (ii) The preferred treatment required under the step-therapy program:

7 (A) Has been ineffective in the treatment of the patient's medical condition in the past;

8 (B) Is expected to be ineffective or adversely affect treatment compliance based on the  
9 known relevant physical or mental characteristics of the patient and the known characteristics of  
10 the drug regimen; or

11 (C) Will cause or will likely cause an adverse reaction or other physical harm to the  
12 patient; and

13 (2) Step-therapy protocols described in this section shall not exceed the earlier of:

14 (i) The period deemed necessary by the patient's prescriber to determine clinical  
15 effectiveness of the preferred treatment required under the step-therapy program; or

16 (ii) Ten (10) days.

17 SECTION 2. Chapter 27-19 of the General Laws entitled "Nonprofit Hospital Service  
18 Corporations" is hereby amended by adding thereto the following section:

19 **27-19-73. Establishing prescription drug out-of-pocket limits.** -- (a) As used in this  
20 section, the following words shall have the following meaning:

21 (1) "Out-of-pocket expenditure" means any and all co-payment, coinsurance, deductible,  
22 or other cost-sharing mechanism.

23 (b) A health plan that provides coverage for prescription drugs shall:

24 (1) Ensure that any required out-of-pocket expenditure applicable to a drug does not  
25 exceed one hundred dollars (\$100) per month for up to a thirty (30) day supply of such drug; and

26 (2) Limit a beneficiary's annual out-of-pocket expenditures for prescription drugs to no  
27 more than fifty percent (50%) of the dollar amounts in effect under section 1302(c)(1) of the U.S.  
28 Affordable Care Act for self-only and family coverage, respectively.

29 (c) Nothing in this section shall be construed to require a health plan to provide coverage  
30 for any additional drugs not otherwise required by law.

31 **27-19-74. Step-therapy programs.** -- (a) As used in this section the following words  
32 shall, unless the context clearly requires otherwise, have the following meanings:

33 (1) "Step-therapy" means protocols that establish the specific sequence in which  
34 prescription drugs for a specified medical condition, are to be prescribed.

1 (b) Any policy, contract, agreement, plan or certificate of insurance issued, delivered or  
2 renewed within the state that provides coverage for prescription drugs and uses step-therapy  
3 protocols shall:

4 (1) Provide the prescriber with a clear and convenient process to expeditiously request an  
5 override of such restriction, which shall be granted whenever the prescriber can demonstrate that:

6 (i) The patient is currently stabilized on the treatment which is being requested; or

7 (ii) The preferred treatment required under the step-therapy program:

8 (A) Has been ineffective in the treatment of the patient's medical condition in the past;

9 (B) Is expected to be ineffective or adversely affect treatment compliance based on the  
10 known relevant physical or mental characteristics of the patient and the known characteristics of  
11 the drug regimen; or

12 (C) Will cause or will likely cause an adverse reaction or other physical harm to the  
13 patient; and

14 (2) Step-therapy protocols described in this section shall not exceed the earlier of:

15 (i) The period deemed necessary by the patient's prescriber to determine clinical  
16 effectiveness of the preferred treatment required under the step-therapy program; or

17 (ii) Ten (10) days.

18 SECTION 3. Chapter 27-20 of the General Laws entitled "Nonprofit Medical Service  
19 Corporations" is hereby amended by adding thereto the following section:

20 **27-20-69. Establishing prescription drug out-of-pocket limits.** -- (a) As used in this  
21 section, the following words shall have the following meaning:

22 (1) "Out-of-pocket expenditure" means any and all co-payment, coinsurance, deductible,  
23 or other cost-sharing mechanism.

24 (b) A health plan that provides coverage for prescription drugs shall:

25 (1) Ensure that any required out-of-pocket expenditure applicable to a drug does not  
26 exceed one hundred (\$100) per month for up to a thirty (30) day supply of such drug; and

27 (2) Limit a beneficiary's annual out-of-pocket expenditures for prescription drugs to no  
28 more than fifty percent (50%) of the dollar amounts in effect under section 1302(c)(1) of the U.S.  
29 Affordable Care Act for self-only and family coverage, respectively.

30 (c) Nothing in this section shall be construed to require a health plan to provide coverage  
31 for any additional drugs not otherwise required by law.

32 **27-20-70. Step-therapy programs.** -- (a) As used in this section the following words  
33 shall, unless the context clearly requires otherwise, have the following meanings:

34 (1) "Step-therapy" means protocols that establish the specific sequence in which

1 prescription drugs for a specified medical condition are to be prescribed.

2 (b) Any policy, contract, agreement, plan or certificate of insurance issued, delivered or  
3 renewed within the state that provides coverage for prescription drugs and uses step-therapy  
4 protocols shall:

5 (1) Provide the prescriber with a clear and convenient process to expeditiously request an  
6 override of such restriction, which shall be granted whenever the prescriber can demonstrate that:

7 (i) The patient is currently stabilized on the treatment which is being requested; or

8 (ii) The preferred treatment required under the step-therapy program:

9 (A) Has been ineffective in the treatment of the patient's medical condition in the past;

10 (B) Is expected to be ineffective or adversely affect treatment compliance based on the  
11 known relevant physical or mental characteristics of the patient and the known characteristics of  
12 the drug regimen; or

13 (C) Will cause or will likely cause an adverse reaction or other physical harm to the  
14 patient; and

15 (2) Step-therapy protocols described in this section shall not exceed the earlier of:

16 (i) The period deemed necessary by the patient's prescriber to determine clinical  
17 effectiveness of the preferred treatment required under the step-therapy program; or

18 (ii) Ten (10) days.

19 SECTION 4. Chapter 27-41 of the General Laws entitled "Health Maintenance  
20 Organizations" is hereby amended by adding thereto the following section:

21 **27-41-86. Establishing prescription drug out-of-pocket limits.** -- (a) As used in this  
22 section, the following words shall have the following meaning:

23 (1) "Out-of-pocket expenditure" means any and all co-payment, coinsurance, deductible,  
24 or other cost-sharing mechanism.

25 (b) A health plan that provides coverage for prescription drugs shall:

26 (1) Ensure that any required out-of-pocket expenditure applicable to a drug does not  
27 exceed one hundred (\$100) per month for up to a thirty (30) day supply of such drug; and

28 (2) Limit a beneficiary's annual out-of-pocket expenditures for prescription drugs to no  
29 more than fifty percent (50%) of the dollar amounts in effect under section 1302(c)(1) of the U.S.  
30 Affordable Care Act for self-only and family coverage, respectively.

31 (c) Nothing in this section shall be construed to require a health plan to provide coverage  
32 for any additional drugs not otherwise required by law.

33 **27-41-87. Step-therapy programs.** -- (a) As used in this section the following words  
34 shall, unless the context clearly requires otherwise, have the following meanings:

1           (1) "Step-therapy" means protocols that establish the specific sequence in which  
2 prescription drugs for a specified medical condition are to be prescribed.

3           (b) Any policy, contract, agreement, plan or certificate of insurance issued, delivered or  
4 renewed within the state that provides coverage for prescription drugs and uses step-therapy  
5 protocols shall:

6           (1) Provide the prescriber with a clear and convenient process to expeditiously request an  
7 override of such restriction, which shall be granted whenever the prescriber can demonstrate that:

8           (i) The patient is currently stabilized on the treatment which is being requested; or

9           (ii) The preferred treatment required under the step-therapy program:

10           (A) Has been ineffective in the treatment of the patient's medical condition in the past;

11           (B) Is expected to be ineffective or adversely affect treatment compliance based on the  
12 known relevant physical or mental characteristics of the patient and the known characteristics of  
13 the drug regimen; or

14           (C) Will cause or will likely cause an adverse reaction or other physical harm to the  
15 patient; and

16           (2) Step-therapy protocols described in this section shall not exceed the earlier of:

17           (i) The period deemed necessary by the patient's prescriber to determine clinical  
18 effectiveness of the preferred treatment required under the step-therapy program; or

19           (ii) Ten (10) days.

20           SECTION 5. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO INSURANCE - PRESCRIPTION DRUG COVERAGE

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1           This act would require all health insurance plans issued in this state that provide  
2 coverage for prescription drugs, to provide coverage for short term "step-therapy" prescription  
3 programs. The act would spell out the conditions under which a prescriber would be permitted to  
4 override certain drug restrictions.

5           This act would take effect upon passage.

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