

Senator Curtis S. Bramble proposes the following substitute bill:

COST SHARING AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: Kera Birkeland



LONG TITLE

General Description:

This bill enacts provisions related to health benefit plan cost sharing.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires an insurer and a pharmacy benefit manger to calculate drug or device discount coupons on behalf of an individual towards the individual's cost sharing requirement unless certain circumstances are met;
- ▶ requires a entity that provides a drug or device discount coupon to allow the full amount of the coupon amount to be used for the drug or device;
- ▶ provides an exception to the requirements for a qualifying health benefit plan; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:



26 [31A-22-660](#), Utah Code Annotated 1953

27 [31A-48-104](#), Utah Code Annotated 1953

28

29 *Be it enacted by the Legislature of the state of Utah:*

30 Section 1. Section **31A-22-660** is enacted to read:

31 **31A-22-660. Cost sharing requirements for health benefit plans.**

32 (1) As used in this section:

33 (a) (i) "Cost sharing requirement" means any copayment, coinsurance, deductible, or
34 annual limitation on cost sharing required by a health benefit plan for a specific health care
35 service covered by the health benefit plan.

36 (ii) "Cost sharing requirement" includes any copayment, coinsurance, deductible, or
37 annual limitation that is subject to 42 U.S.C. Secs. 18022(c) or 300gg-6(b).

38 (b) "Qualifying health benefit plan" means a health benefit plan that:

39 (i) allows the full value of available copay assistance to reduce the out-of-pocket costs
40 of an enrollee;

41 (ii) includes, when two or more individuals are covered, an individual maximum
42 out-of-pocket that is not greater than 50% of the health benefit plan's combined total maximum
43 out-of-pocket for family coverage;

44 (iii) after the deductible has been met, only requires payment by the enrollee at the
45 equivalent of the plan's lowest payment tier for any drug that has been subject to copay
46 assistance and that copay assistance has been exhausted; and

47 (iv) for a covered lower cost drug that an enrollee is required to take under the plan
48 instead of a covered higher cost drug for which copay assistance reduces the enrollee's
49 out-of-pocket costs to a negligible amount, the plan:

50 (A) only requires payment by the enrollee of the preferred drug at the equivalent of the
51 plan's lowest payment tier; and

52 (B) may share cost savings due to the lower cost drug with the enrollee, including
53 while the enrollee is subject to a deductible.

54 (2) Except as provided in Subsection (3), when calculating an enrollee's contribution to
55 any applicable cost sharing requirement for a covered prescription drug or device, an insurer
56 shall include any cost sharing amounts paid:

57 (a) by the enrollee; or
58 (b) using a drug discount coupon.
59 (3) An insurer may refuse to apply a drug discount coupon to an enrollee's applicable
60 cost sharing requirement for the drug or device that is eligible for the drug discount coupon if:

61 (a) the drug or device that is eligible for the drug discount coupon has:
62 (i) a generic alternative; or
63 (ii) a biological product as defined in 42 U.S.C. Sec. 262 that has been approved by the
64 federal Food and Drug Administration to treat the enrollee's condition; or

65 (b) the enrollee has not obtained a necessary approval from the health benefit plan to
66 have the drug covered by the health benefit plan or has not completed the necessary
67 requirements, restrictions, or clinical criteria to obtain the approval.

68 (4) This section:

69 (a) applies to any health benefit plan entered into, amended, extended, or renewed on
70 or after July 1, 2025; and

71 (b) does not apply to a qualifying health benefit plan.

72 (5) The commissioner may make rules in accordance with Title 63G, Chapter 3, Utah
73 Administrative Rulemaking Act, to implement this section.

74 Section 2. Section **31A-48-104** is enacted to read:

75 **31A-48-104. Drug discount coupon requirements.**

76 (1) As used in this section, "cost sharing requirement" means the same as that term is
77 defined in Section [31A-22-660](#).

78 (2) A pharmaceutical manufacturer or other entity that provides a drug discount coupon
79 with the expectation that the drug discount coupon will be applied toward an enrollee's cost
80 sharing requirement:

81 (a) shall allow an insurer, complying with Section [31A-22-660](#), or a pharmacy benefit
82 manger, complying with Section [31A-46-311](#), to utilize the full value of the drug discount
83 coupon:

84 (i) first to reduce the enrollee's cost sharing requirement, including the enrollee's
85 maximum out-of-pocket expense, at the point of sale; and

86 (ii) for any remainder, to lower the cost of the prescription drug or device; and

87 (b) shall disclose to the insurer and the pharmacy benefit manger the terms and

88 conditions associated with the drug discount coupon; and

89 (c) may not modify the terms and conditions associated with the drug discount coupon
90 on the basis that it is redeemed by an enrollee of the health benefit plan that is complying with
91 Section [31A-22-660](#).

92 **Section 3. Effective date.**

93 This bill takes effect on May 1, 2024.