

1 HB249
2 207943-4
3 By Representative Lee
4 RFD: Insurance
5 First Read: 02-FEB-21

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ENROLLED, An Act,

To require a health benefit plan that provides coverage for prescription insulin drugs to cap the amount of any cost-sharing or co-pay that an insured or a beneficiary under the plan is required to pay for a covered prescription insulin drug; and to amend Sections 10A-20-6.16 and 27-21A-23, Code of Alabama 1975, as amended by Act 2019-98 of the 2019 Regular Session, relating to health care service plans and health maintenance organizations.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) As used in this section, the following words have the following meanings:

(1) HEALTH BENEFIT PLAN. Any group insurance plan, individual health insurance policy or other policy, or contract for health care services that covers hospital, medical, or surgical expenses, health maintenance organizations, preferred provider organizations, medical service organizations, physician-hospital organizations, or any other person, firm, corporation, joint venture, or other similar business entity that pays for, purchases, or furnishes group health care services to patients, insureds, or beneficiaries in this state. For the purposes of this section, a health benefit plan located or domiciled outside of the State of Alabama is deemed to be subject to this section if

1 the plan, policy, or contract is issued or delivered in the
2 State of Alabama. The term includes, but is not limited to,
3 entities created pursuant to Article 6, Chapter 20, Title 10A,
4 Code of Alabama 1975. The term does not include accident-only,
5 specified disease, individual hospital indemnity, credit,
6 dental-only, Medicare-supplement, long-term care, or
7 disability income insurance, other limited benefit health
8 insurance policies, coverage issued as a supplemental to
9 liability insurance, workers' compensation or similar
10 insurance, or automobile medical-payment insurance.

11 (2) PRESCRIPTION INSULIN DRUG. A prescription drug
12 that contains insulin, is used to treat diabetes, and has been
13 prescribed as medically necessary by the treating physician.

14 (b) (1) A health benefit plan that provides coverage
15 for prescription insulin drugs shall cap the total amount of
16 any cost-sharing or co-pay that an insured or beneficiary is
17 required to pay under the plan for a covered prescription
18 insulin drug at an amount not to exceed one hundred dollars
19 (\$100) per 30-day supply of the insulin drug, without regard
20 to the policy deductible, regardless of the amount or type of
21 insulin needed to fill the insured's or beneficiary's
22 prescription.

23 (2) This section does not prevent a health benefit
24 plan from reducing an insured's or beneficiary's cost-sharing

1 obligation by an amount greater than the amount specified in
2 subdivision (1).

3 (3) On January 1 of each year, the limit on the
4 amount that an insured is required to pay for a 30-day supply
5 of a covered prescription insulin drug shall increase by a
6 percentage equal to the percentage change from the preceding
7 year in the prescription drug component of the Consumer Price
8 Index of the Bureau of Labor Statistics of the United States
9 Department of Labor.

10 (4) This section does not apply to a health benefit
11 plan if the implementation of the cost-sharing or co-pay cap
12 in subdivision (1) would necessitate the health benefit plan's
13 cost sharing for other services to be increased in order to
14 comply with federally mandated actuarial values for
15 non-grandfathered individual and small group plans.

16 (5) This section shall apply to contracts entered
17 into after the effective date of this act.

18 Section 2. Sections 10A-20-6.16 and 27-21A-23, as
19 amended by Act 2019-98, Code of Alabama 1975, are amended to
20 read as follows:

21 "§10A-20-6.16.

22 "(a) No statute of this state applying to insurance
23 companies shall be applicable to any corporation organized
24 under this article and amendments thereto or to any contract

1 made by the corporation; except the corporation shall be
2 subject to the following:

3 "(1) The provisions regarding annual premium tax to
4 be paid by insurers on insurance premiums.

5 "(2) Chapter 55 of Title 27.

6 "(3) Article 2 and Article 3 of Chapter 19 of Title
7 27.

8 "(4) Section 27-1-17.

9 "(5) Chapter 56 of Title 27.

10 "(6) Rules ~~promulgated~~ adopted by the Commissioner
11 of Insurance pursuant to Sections 27-7-43 and 27-7-44.

12 "(7) Chapter 54 of Title 27.

13 "(8) Chapter 57 of Title 27.

14 "(9) Chapter 58 of Title 27.

15 "(10) Chapter 59 of Title 27.

16 "(11) Chapter 54A of Title 27.

17 "(12) Chapter 12A of Title 27.

18 "(13) Chapter 2B of Title 27.

19 "(14) Chapter 29 of Title 27.

20 "(15) Chapter 62 of Title 27.

21 "(16) Section 1 of the act adding this subdivision.

22 "(b) The provisions in subsection (a) that require
23 specific types of coverage to be offered or provided shall not
24 apply when the corporation is administering a self-funded

1 benefit plan or similar plan, fund, or program that it does
2 not insure.

3 "§27-21A-23.

4 "(a) Except as otherwise provided in this chapter,
5 provisions of the insurance law and provisions of health care
6 service plan laws shall not be applicable to any health
7 maintenance organization granted a certificate of authority
8 under this chapter. This provision shall not apply to an
9 insurer or health care service plan licensed and regulated
10 pursuant to the insurance law or the health care service plan
11 laws of this state except with respect to its health
12 maintenance organization activities authorized and regulated
13 pursuant to this chapter.

14 "(b) Solicitation of enrollees by a health
15 maintenance organization granted a certificate of authority
16 shall not be construed to violate any provision of law
17 relating to solicitation or advertising by health
18 professionals.

19 "(c) Any health maintenance organization authorized
20 under this chapter shall not be deemed to be practicing
21 medicine and shall be exempt from the provisions of Section
22 34-24-310, et seq., relating to the practice of medicine.

23 "(d) No person participating in the arrangements of
24 a health maintenance organization other than the actual
25 provider of health care services or supplies directly to

1 enrollees and their families shall be liable for negligence,
2 misfeasance, nonfeasance, or malpractice in connection with
3 the furnishing of such services and supplies.

4 "(e) Nothing in this chapter shall be construed in
5 any way to repeal or conflict with any provision of the
6 certificate of need law.

7 "(f) Notwithstanding the provisions of subsection
8 (a), a health maintenance organization shall be subject to all
9 of the following:

10 "(1) Section 27-1-17.

11 "(2) Chapter 56.

12 "(3) Chapter 54.

13 "(4) Chapter 57.

14 "(5) Chapter 58.

15 "(6) Chapter 59.

16 "(7) Rules ~~promulgated~~ adopted by the Commissioner
17 of Insurance pursuant to Sections 27-7-43 and 27-7-44.

18 "(8) Chapter 12A.

19 "(9) Chapter 54A.

20 "(10) Chapter 2B.

21 "(11) Chapter 29.

22 "(12) Chapter 62.

23 "(13) Section 1 of the act adding this subdivision."

24 Section 3. This act shall become effective on
25 October 1, 2021.

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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 09-MAR-21.

Jeff Woodard
Clerk

Senate

08-APR-21

Passed