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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 -- COVERAGE FOR PRESCRIPTION DRUGS

Introduced By: Representatives O'Grady, Amore, Ackerman, Cimini, and Ajello

Date Introduced: May 15, 2014

Referred To: House Corporations

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 sections:

3 **27-18-82. Establishing prescription drug out-of-pocket limits. -- (a) As used in this**  
4 **section:**

5 (1) "Out-of-pocket expenditure" means all and any co-payment, co-insurance, 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 prescription drug  
9 does not exceed one hundred dollars (\$100) per month for such prescription drug up to a thirty  
10 (30) day supply; and

11 (2) Limit a beneficiary's annual out-of-pocket expenditures for prescription drugs to no  
12 more than fifty percent (50%) of the dollar amounts in accordance with 42 U.S.C. 1302(c)(1) of  
13 the Federal Affordable Care Act for self-only and family coverage, respectively.

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

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

18 (1) "Step therapy" means protocols that establish the specific sequence in which  
19 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.

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

20 **27-19-73. Establishing prescription drug out-of-pockets limits.** -- (a) As used in this  
21 section:

22 (1) "Out-of-pocket expenditure" means all and any co-payment, co-insurance, 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 prescription drug  
26 does not exceed one hundred dollars (\$100) per month for such prescription drug up to a thirty  
27 (30) day supply; 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 accordance with 42 U.S.C. 1302(c)(1) of  
30 the Federal 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 **27-19-74. Step-therapy programs.** -- (a) As used in this section the following words  
34 shall, unless the context clearly requires otherwise, have the following meanings:

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

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

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

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

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

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

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

(C) Will cause or will likely cause an adverse reaction or other physical harm to the patient.

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

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

(ii) Ten (10) days.

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

**27-20-69. Establishing prescription drug out-of-pocket limits. -- (a) As used in this section:**

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

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

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

(2) Limit a beneficiary's annual out-of-pocket expenditures for prescription drugs to no more than fifty percent (50%) of the dollar amounts in accordance with 42 U.S.C. 1302(c)(1) of the Federal Affordable Care Act for self-only and family coverage, respectively.

(c) Nothing in this section shall be construed to require a health plan to provide coverage

1 for any additional drugs not otherwise required by law.

2 **27-20-70. Step-therapy programs.** -- (a) As used in this section the following words  
3 shall, unless the context clearly requires otherwise, have the following meanings:

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

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

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

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

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

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

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

17 (C) Will cause or will likely cause an adverse reaction or other physical harm to the  
18 patient.

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

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

22 (ii) Ten (10) days.

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

25 **27-41-86. Establishing prescription drug out-of-pocket limits.** -- (a) As used in this  
26 section:

27 (1) "Out-of-pocket expenditure" means all and any co-payment, co-insurance, deductible,  
28 or other cost-sharing mechanism.

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

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

33 (2) Limit a beneficiary's annual out-of-pocket expenditures for prescription drugs to no  
34 more than fifty percent (50%) of the dollar amounts in accordance with 42 U.S.C. 1302(c)(1) of

1 the Federal Affordable Care Act for self-only and family coverage, respectively.

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

4 **27-41-87. Step-therapy programs. --** (a) As used in this section the following words  
5 shall, unless the context clearly requires otherwise, have the following meanings:

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

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

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

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

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

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

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

19 (C) Will cause or will likely cause an adverse reaction or other physical harm to the  
20 patient.

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

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

24 (ii) Ten (10) days.

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T  
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1           This act would limit the out-of-pocket expense for prescription drugs. It would also  
2 define "step therapy" as a specific sequence in which drugs are prescribed for a specified medical  
3 condition. It would also spell out the procedure a prescriber must follow in order to be able to  
4 quickly obtain authority to override certain restrictions on behalf of a patient.

5           This act would take effect upon passage.

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