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S T A T E O F R H O D E I S L A N D

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

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A N A C T

RELATING TO INSURANCE -- ACCIDENT AND SICKNESS INSURANCE POLICIES

Introduced By: Representatives Morales, Cassar, McGaw, Kislak, Bennett, Kennedy, Amore, Potter, Caldwell, and Azzinaro
Date Introduced: March 02, 2022

Referred To: House Health & Human Services

It is enacted by the General Assembly as follows:

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

27-18-50.2. Specialty drugs.

(a) The general assembly makes the following findings:

(1) In 2015, an estimated six hundred thirty-five thousand (635,000) Rhode Island residents had at least one chronic disease, and an estimated two hundred forty-nine thousand (249,000) residents had two (2) or more chronic diseases, which significantly increases their likelihood to depend on prescription specialty drugs;

(2) In 2016, twenty-five percent (25%) of Rhode Island residents stopped taking a prescription drug as prescribed due to cost;

(3) Most specialty drugs do not have biosimilars, generic equivalents, or substitutes to create competition and help lower their prices;

(4) The Center for Medicare and Medicaid Services defines any drug for which the negotiated price is six hundred seventy dollars ($670) per month or more, as a specialty drug.

(b) As used in this section, the following words shall have the following meanings:

(1) "Complex or chronic medical condition" means a physical, behavioral, or developmental condition that is persistent or otherwise long-lasting in its effects or a disease that advances over time, and:

(i) Has no known cure;

(ii) Is progressive; or

(iii) Can be debilitating or fatal if left untreated or undertreated.

"Complex or chronic medical condition" includes, but is not limited to, multiple sclerosis, hepatitis c, and rheumatoid arthritis.

(2) "Pre-service authorization" means a cost containment method that an insurer, a nonprofit health service plan, or a health maintenance organization uses to review and preauthorize coverage for drugs prescribed by a health care provider for a covered individual to control utilization, quality, and claims.

(3) "Rare medical condition" means a disease or condition that affects fewer than:

(i) Two hundred thousand (200,000) individuals in the United States; or

(ii) Approximately one in one thousand five hundred (1,500) individuals worldwide.

"Rare medical condition" includes, but is not limited to, cystic fibrosis, hemophilia, and multiple myeloma.

(4) "Specialty drug" means a prescription drug that:

(i) Is prescribed for an individual with a complex or chronic medical condition or a rare medical condition;

(ii) Costs six hundred seventy dollars ($670) or more for up to a thirty (30)-day supply;

(iii) Is not typically stocked at retail pharmacies; and

(iv)(A) Requires a difficult or unusual process of delivery to the patient in the preparation, handling, storage, inventory, or distribution of the drug; or

(B) Requires enhanced patient education, management, or support, beyond those required for traditional dispensing, before or after administration of the drug.

(c) Every individual or group health insurance contract, plan or policy that provides prescription coverage and is delivered, issued for delivery or renewed in this state on or after January 1, 2023, shall not impose a copayment or coinsurance requirement on a covered specialty drug that exceeds one hundred fifty dollars ($150) for up to a thirty (30)-day supply of the specialty drug. A pre-service authorization may be used to provide coverage for specialty drugs. Coverage for prescription specialty drugs shall not be subject to any deductible, unless prohibiting a deductible requirement would cause a health plan to not qualify as a high deductible health plan.

(d) Nothing in this section prevents an insurer, health maintenance plan, or nonprofit medical plan from reducing a covered individual's cost sharing to an amount less than one hundred fifty dollars ($150) for a thirty (30)-day supply of a specialty drug.

(e) The health insurance commissioner shall promulgate any rules and regulations necessary to implement and administer this section in accordance with any federal requirements

and shall use the commissioner's enforcement powers to obtain compliance with the provisions of this section.

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

27-19-42.1. Specialty drugs.

(a) The general assembly makes the following findings:

(1) In 2015, an estimated six hundred thirty-five thousand (635,000) Rhode Island residents had at least one chronic disease, and an estimated two hundred forty-nine thousand (249,000) residents had two (2) or more chronic diseases, which significantly increases their likelihood to depend on prescription specialty drugs;

(2) In 2016, twenty-five percent (25%) of Rhode Island residents stopped taking a prescription drug as prescribed due to cost;

(3) Most specialty drugs do not have biosimilars, generic equivalents, or substitutes to create competition and help lower their prices;

(4) The Center for Medicare and Medicaid Services defines any drug for which the negotiated price is six hundred seventy dollars ($670) per month or more, as a specialty drug.

(b) As used in this section, the following words shall have the following meanings:

(1) "Complex or chronic medical condition" means a physical, behavioral, or developmental condition that is persistent or otherwise long-lasting in its effects or a disease that advances over time, and:

(i) Has no known cure;

(ii) Is progressive; or

(iii) Can be debilitating or fatal if left untreated or undertreated.

"Complex or chronic medical condition" includes, but is not limited to, multiple sclerosis, hepatitis c, and rheumatoid arthritis.

(2) "Pre-service authorization" means a cost containment method that an insurer, a nonprofit health service plan, or a health maintenance organization uses to review and preauthorize coverage for drugs prescribed by a health care provider for a covered individual to control utilization, quality, and claims.

(3) "Rare medical condition" means a disease or condition that affects fewer than:

(i) Two hundred thousand (200,000) individuals in the United States; or

(ii) Approximately one in one thousand five hundred (1,500) individuals worldwide.

"Rare medical condition" includes, but is not limited to, cystic fibrosis, hemophilia, and multiple myeloma.

(4) "Specialty drug" means a prescription drug that:

(i) Is prescribed for an individual with a complex or chronic medical condition or a rare medical condition;

(ii) Costs six hundred seventy dollars ($670) or more for up to a thirty (30)-day supply;

(iii) Is not typically stocked at retail pharmacies; and

(iv)(A) Requires a difficult or unusual process of delivery to the patient in the preparation, handling, storage, inventory, or distribution of the drug; or

(B) Requires enhanced patient education, management, or support, beyond those required for traditional dispensing, before or after administration of the drug.

(c) Every individual or group health insurance contract, plan or policy that provides prescription coverage and is delivered, issued for delivery or renewed in this state on or after January 1, 2023, shall not impose a copayment or coinsurance requirement on a covered specialty drug that exceeds one hundred fifty dollars ($150) for up to a thirty (30)-day supply of the specialty drug. A pre-service authorization may be used to provide coverage for specialty drugs. Coverage for prescription specialty drugs shall not be subject to any deductible, unless prohibiting a deductible requirement would cause a health plan to not qualify as a high deductible health plan.

(d) Nothing in this section prevents an insurer, health maintenance plan, or nonprofit medical plan from reducing a covered individual's cost sharing to an amount less than one hundred fifty dollars ($150) for a thirty (30)-day supply of a specialty drug.

(e) The health insurance commissioner may promulgate any rules and regulations necessary to implement and administer this section in accordance with any federal requirements and shall use the commissioner's enforcement powers to obtain compliance with the provisions of this section.

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

(a) The general assembly makes the following findings:

(1) In 2015, an estimated six hundred thirty-five thousand (635,000) Rhode Island residents had at least one chronic disease, and an estimated two hundred forty-nine thousand (249,000) residents had two (2) or more chronic diseases, which significantly increases their likelihood to depend on prescription specialty drugs;

(2) In 2016, twenty-five percent (25%) of Rhode Island residents stopped taking a prescription drug as prescribed due to cost;

(3) Most specialty drugs do not have biosimilars, generic equivalents, or substitutes to create competition and help lower their prices;

(4) The Center for Medicare and Medicaid Services defines any drug for which the negotiated price is six hundred seventy dollars ($670) per month or more, as a specialty drug.

(b) As used in this section, the following words shall have the following meanings:

(1) "Complex or chronic medical condition" means a physical, behavioral, or developmental condition that is persistent or otherwise long-lasting in its effects or a disease that advances over time, and:

(i) Has no known cure;

(ii) Is progressive; or

(iii) Can be debilitating or fatal if left untreated or undertreated.

"Complex or chronic medical condition" includes, but is not limited to, multiple sclerosis, hepatitis c, and rheumatoid arthritis.

(2) "Pre-service authorization" means a cost containment method that an insurer, a nonprofit health service plan, or a health maintenance organization uses to review and preauthorize coverage for drugs prescribed by a health care provider for a covered individual to control utilization, quality, and claims.

(3) "Rare medical condition" means a disease or condition that affects fewer than:

(i) Two hundred thousand (200,000) individuals in the United States; or

(ii) Approximately one in one thousand five hundred (1,500) individuals worldwide.

"Rare medical condition" includes, but is not limited to, cystic fibrosis, hemophilia, and multiple myeloma.

(4) "Specialty drug" means a prescription drug that:

(i) Is prescribed for an individual with a complex or chronic medical condition or a rare medical condition;

(ii) Costs six hundred seventy dollars ($670) or more for up to a thirty (30)-day supply;

(iii) Is not typically stocked at retail pharmacies; and

(iv)(A) Requires a difficult or unusual process of delivery to the patient in the preparation, handling, storage, inventory, or distribution of the drug; or

(B) Requires enhanced patient education, management, or support, beyond those required for traditional dispensing, before or after administration of the drug.

(c) Every individual or group health insurance contract, plan or policy that provides prescription coverage and is delivered, issued for delivery or renewed in this state on or after January 1, 2023, shall not impose a copayment or coinsurance requirement on a covered specialty drug that exceeds one hundred fifty dollars ($150) for up to a thirty (30)-day supply of the specialty drug. A pre-service authorization may be used to provide coverage for specialty drugs. Coverage

for prescription specialty drugs shall not be subject to any deductible, unless prohibiting a deductible requirement would cause a health plan to not qualify as a high deductible health plan.

(d) Nothing in this section prevents an insurer, health maintenance plan, or nonprofit medical plan from reducing a covered individual's cost sharing to an amount less than one hundred fifty dollars ($150) for a thirty (30)-day supply of a specialty drug.

(e) The health insurance commissioner shall promulgate any rules and regulations necessary to implement and administer this section in accordance with any federal requirements and shall use the commissioner's enforcement powers to obtain compliance with the provisions of this section.

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

27-41-38.3. Specialty drugs.

(a) The general assembly makes the following findings:

(1) In 2015, an estimated six hundred thirty-five thousand (635,000) Rhode Island residents had at least one chronic disease, and an estimated two hundred forty-nine thousand (249,000) residents had two (2) or more chronic diseases, which significantly increases their likelihood to depend on prescription specialty drugs;

(2) In 2016, twenty-five percent (25%) of Rhode Island residents stopped taking a prescription drug as prescribed due to cost;

(3) Most specialty drugs do not have biosimilars, generic equivalents, or substitutes to create competition and help lower their prices;

(4) The Center for Medicare and Medicaid Services defines any drug for which the negotiated price is six hundred seventy dollars ($670) per month or more, as a specialty drug.

(b) As used in this section, the following words shall have the following meanings:

(1) "Complex or chronic medical condition" means a physical, behavioral, or developmental condition that is persistent or otherwise long-lasting in its effects or a disease that advances over time, and:

(i) Has no known cure;

(ii) Is progressive; or

(iii) Can be debilitating or fatal if left untreated or undertreated.

"Complex or chronic medical condition" includes, but is not limited to, multiple sclerosis, hepatitis c, and rheumatoid arthritis.

(2) "Pre-service authorization" means a cost containment method that an insurer, a nonprofit health service plan, or a health maintenance organization uses to review and preauthorize

coverage for drugs prescribed by a health care provider for a covered individual to control utilization, quality, and claims.

(3) "Rare medical condition" means a disease or condition that affects fewer than:

(i) Two hundred thousand (200,000) individuals in the United States; or

(ii) Approximately one in one thousand five hundred (1,500) individuals worldwide.

"Rare medical condition" includes, but is not limited to, cystic fibrosis, hemophilia, and multiple myeloma.

(4) "Specialty drug" means a prescription drug that:

(i) Is prescribed for an individual with a complex or chronic medical condition or a rare medical condition;

(ii) Costs six hundred seventy dollars ($670) or more for up to a thirty (30)-day supply;

(iii) Is not typically stocked at retail pharmacies; and

(iv)(A) Requires a difficult or unusual process of delivery to the patient in the preparation, handling, storage, inventory, or distribution of the drug; or

(B) Requires enhanced patient education, management, or support, beyond those required for traditional dispensing, before or after administration of the drug.

(c) Every individual or group health insurance contract, plan or policy that provides prescription coverage and is delivered, issued for delivery or renewed in this state on or after January 1, 2023, shall not impose a copayment or coinsurance requirement on a covered specialty drug that exceeds one hundred fifty dollars ($150) for up to a thirty (30)-day supply of the specialty drug. A pre-service authorization may be used to provide coverage for specialty drugs. Coverage for prescription specialty drugs shall not be subject to any deductible, unless prohibiting a deductible requirement would cause a health plan to not qualify as a high deductible health plan.

(d) Nothing in this section prevents an insurer, health maintenance plan, or nonprofit medical plan from reducing a covered individual's cost sharing to an amount less than one hundred fifty dollars ($150) for a thirty (30)-day supply of a specialty drug.

(e) The health insurance commissioner shall promulgate any rules and regulations necessary to implement and administer this section in accordance with any federal requirements and shall use the commissioner's enforcement powers to obtain compliance with the provisions of this section.

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 -- ACCIDENT AND SICKNESS INSURANCE POLICIES

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This act would limit the copayment or coinsurance requirement on specialty drugs to one hundred fifty dollars ($150) for a thirty (30)-day supply regarding any specialty drug in any individual or health insurance contract, plan or policy issued, delivered or renewed on or after January 1, 2023. Specialty drugs would be defined as a drug prescribed to an individual with a complex or chronic medical condition or a rare medical condition.

This act would take effect upon passage.

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