

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO INSURANCE -- ACCIDENT AND SICKNESS INSURANCE POLICIES

Introduced By: Senators Valverde, DiMario, Miller, Murray, Lauria, Ujifusa, Euer,  
Lawson, Gu, and Kallman

Date Introduced: March 22, 2023

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 Insurance  
2 Policies" is hereby amended by adding thereto the following section:

3 **27-18-50.2. Specialty drugs.**

4 (a) The general assembly makes the following findings:

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

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

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

13 (4) In 2022, the Center for Medicare and Medicaid Services defines any drug for which the  
14 negotiated price is six hundred seventy dollars (\$670) per month or more, as a specialty drug.

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

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

19 (i) May have no known cure;

- 1 (ii) Is progressive; or
- 2 (iii) Can be debilitating or fatal if left untreated or undertreated.
- 3 "Complex or chronic medical condition" includes, but is not limited to, multiple sclerosis,
- 4 hepatitis c, and rheumatoid arthritis.
- 5 (2) "Pre-service authorization" means a cost containment method that an insurer, a
- 6 nonprofit health service plan, or a health maintenance organization uses to review and preauthorize
- 7 coverage for drugs prescribed by a health care provider for a covered individual to control
- 8 utilization, quality, and claims.
- 9 (3) "Rare medical condition" means a disease or condition that affects fewer than:
- 10 (i) Two hundred thousand (200,000) individuals in the United States; or
- 11 (ii) Approximately one in one thousand five hundred (1,500) individuals worldwide.
- 12 "Rare medical condition" includes, but is not limited to, cystic fibrosis, hemophilia, and
- 13 multiple myeloma.
- 14 (4) "Specialty drug" means a prescription drug that:
- 15 (i) Is prescribed for an individual with a complex or chronic medical condition or a rare
- 16 medical condition; and
- 17 (ii) Has a wholesale acquisition cost or negotiated price that exceeds the Medicare Part D
- 18 specialty tier threshold, as updated from time to time.
- 19 (c) Every individual or group health insurance contract, plan or policy that provides
- 20 prescription coverage and is delivered, issued for delivery or renewed in this state on or after
- 21 January 1, 2024, shall not impose a copayment or coinsurance requirement on a covered specialty
- 22 drug that exceeds one hundred fifty dollars (\$150) for up to a thirty (30)-day supply of the specialty
- 23 drug. A pre-service authorization may be used to provide coverage for specialty drugs. Coverage
- 24 for prescription specialty drugs shall not be subject to any deductible, unless prohibiting a
- 25 deductible requirement would cause a health plan to not qualify as a high deductible health plan.
- 26 (d) Nothing in this section prevents an insurer, health maintenance plan, or nonprofit
- 27 medical plan from reducing a covered individual's cost sharing to an amount less than one hundred
- 28 fifty dollars (\$150) for a thirty (30)-day supply of a specialty drug.
- 29 (e) The health insurance commissioner shall promulgate any rules and regulations
- 30 necessary to implement and administer this section in accordance with any federal requirements
- 31 and shall use the commissioner's enforcement powers to obtain compliance with the provisions of
- 32 this section.

33 SECTION 2. Chapter 27-19 of the General Laws entitled "Nonprofit Hospital Service

34 Corporations" is hereby amended by adding thereto the following section:

1 **27-19-42.1. Specialty drugs.**

2 (a) The general assembly makes the following findings:

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

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

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

11 (4) In 2022, the Center for Medicare and Medicaid Services defines any drug for which the  
12 negotiated price is six hundred seventy dollars (\$670) per month or more, as a specialty drug.

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

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

17 (i) May have no known cure;

18 (ii) Is progressive; or

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

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

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

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

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

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

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

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

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

34 (ii) Has a wholesale acquisition cost or negotiated price that exceeds the Medicare Part D

1 specialty tier threshold, as updated from time to time.

2 (c) Every individual or group health insurance contract, plan or policy that provides  
3 prescription coverage and is delivered, issued for delivery or renewed in this state on or after  
4 January 1, 2024, shall not impose a copayment or coinsurance requirement on a covered specialty  
5 drug that exceeds one hundred fifty dollars (\$150) for up to a thirty (30)-day supply of the specialty  
6 drug. A pre-service authorization may be used to provide coverage for specialty drugs. Coverage  
7 for prescription specialty drugs shall not be subject to any deductible, unless prohibiting a  
8 deductible requirement would cause a health plan to not qualify as a high deductible health plan.

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

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

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

18 (a) The general assembly makes the following findings:

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

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

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

27 (4) In 2022, the Center for Medicare and Medicaid Services defines any drug for which the  
28 negotiated price is six hundred seventy dollars (\$670) per month or more, as a specialty drug.

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

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

33 (i) May have no known cure;

34 (ii) Is progressive; or

- 1 (iii) Can be debilitating or fatal if left untreated or undertreated.
- 2 "Complex or chronic medical condition" includes, but is not limited to, multiple sclerosis,  
3 hepatitis c, and rheumatoid arthritis.
- 4 (2) "Pre-service authorization" means a cost containment method that an insurer, a  
5 nonprofit health service plan, or a health maintenance organization uses to review and preauthorize  
6 coverage for drugs prescribed by a health care provider for a covered individual to control  
7 utilization, quality, and claims.
- 8 (3) "Rare medical condition" means a disease or condition that affects fewer than:
- 9 (i) Two hundred thousand (200,000) individuals in the United States; or
- 10 (ii) Approximately one in one thousand five hundred (1,500) individuals worldwide.
- 11 "Rare medical condition" includes, but is not limited to, cystic fibrosis, hemophilia, and  
12 multiple myeloma.
- 13 (4) "Specialty drug" means a prescription drug that:
- 14 (i) Is prescribed for an individual with a complex or chronic medical condition or a rare  
15 medical condition; and
- 16 (ii) Has a wholesale acquisition cost or negotiated price that exceeds the Medicare Part D  
17 specialty tier threshold, as updated from time to time.
- 18 (c) Every individual or group health insurance contract, plan or policy that provides  
19 prescription coverage and is delivered, issued for delivery or renewed in this state on or after  
20 January 1, 2024, shall not impose a copayment or coinsurance requirement on a covered specialty  
21 drug that exceeds one hundred fifty dollars (\$150) for up to a thirty (30)-day supply of the specialty  
22 drug. A pre-service authorization may be used to provide coverage for specialty drugs. Coverage  
23 for prescription specialty drugs shall not be subject to any deductible, unless prohibiting a  
24 deductible requirement would cause a health plan to not qualify as a high deductible health plan.
- 25 (d) Nothing in this section prevents an insurer, health maintenance plan, or nonprofit  
26 medical plan from reducing a covered individual's cost sharing to an amount less than one hundred  
27 fifty dollars (\$150) for a thirty (30)-day supply of a specialty drug.
- 28 (e) The health insurance commissioner shall promulgate any rules and regulations  
29 necessary to implement and administer this section in accordance with any federal requirements  
30 and shall use the commissioner's enforcement powers to obtain compliance with the provisions of  
31 this section.

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

34 **27-41-38.3. Specialty drugs.**

1 (a) The general assembly makes the following findings:

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

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

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

10 (4) In 2022, the Center for Medicare and Medicaid Services defines any drug for which the  
11 negotiated price is six hundred seventy dollars (\$670) per month or more, as a specialty drug.

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

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

16 (i) May have no known cure;

17 (ii) Is progressive; or

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

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

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

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

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

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

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

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

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

33 (ii) Has a wholesale acquisition cost or negotiated price that exceeds the Medicare Part D  
34 specialty tier threshold, as updated from time to time.

1           (c) Every individual or group health insurance contract, plan or policy that provides  
2 prescription coverage and is delivered, issued for delivery or renewed in this state on or after  
3 January 1, 2024, shall not impose a copayment or coinsurance requirement on a covered specialty  
4 drug that exceeds one hundred fifty dollars (\$150) for up to a thirty (30)-day supply of the specialty  
5 drug. A pre-service authorization may be used to provide coverage for specialty drugs. Coverage  
6 for prescription specialty drugs shall not be subject to any deductible, unless prohibiting a  
7 deductible requirement would cause a health plan to not qualify as a high deductible health plan.

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

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

15           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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1           This act would limit the copayment or coinsurance requirement on specialty drugs to one  
2 hundred fifty dollars (\$150) for a thirty (30)-day supply regarding any specialty drug in any  
3 individual or health insurance contract, plan or policy issued, delivered or renewed on or after  
4 January 1, 2024. Specialty drugs would be defined as a drug prescribed to an individual with a  
5 complex or chronic medical condition or a rare medical condition.

6           This act would take effect upon passage.

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