



Specialty Tier Reform Update – Week of June 2, 2014

By Mark Hobraczk

STATES

California

Assembly approves bill limiting prescription drug cost-sharing

The Assembly passed A.B. 1917 this week, which would prohibit cost-sharing for a 30-day supply of any single prescription from exceeding 1/12 of the annual out-of-pocket limits set by the Affordable Care Act (ACA). This is a change from earlier versions that capped cost-sharing at 1/24 of annual out-of-pocket limit (see Specialty Tier Reform Update for Week of May 5th).

For a drug that has a time-limited course of treatment of three months or less, this limit would be set at one-half of the annual out-of-pocket limit for the time-limited course of treatment.

A.B. 1917 would effectively spread out the cost-sharing for the highest tier specialty drugs over a full year instead of forcing consumers to pay all at once and is backed by consumer groups like Health Access California.

Illinois

Specialty tier legislation introduced in House

Rep. Jaime Andrade (D) introduced legislation last week that would amend the Illinois Insurance Code to ensure that any required cost-sharing for specialty tier drugs does not exceed \$100 per month for up to a 30-day supply of any single drug. H.B. 6277 would also limit a beneficiary's annual out-of-pocket expenditures for prescription drugs to no more than 50 percent of the out-of-pocket limits under the Affordable Care Act (ACA).

Comparable companion legislation (S.B. 3395) remains in Senate committee (see Specialty Tier Reform Update for Week of February 17th). Both measures provide that plans covering prescription drugs through a tiered formulary must implement an exceptions process to allow enrollees to request an exception to the tiered cost-sharing structure. They explicitly would prohibit plans from placing all drugs in a given class on a specialty tier, a practice that resulted in a recent discrimination complaint in both Illinois and Florida (see Health Reform Update for Week of June 2nd).

Louisiana

Specialty tier bill sent to Governor

The legislature sent S.B. 165 to Governor Bobby Jindal (R) last week after it unanimously passed the House and previously cleared the Senate with only one dissenting vote (see Specialty Tier Reform Update for Week of May 5th). If signed, the measure would limit coinsurance or copayments applied to drugs on a specialty tier to not more than \$150 per month for each specialty drug or up to a 30-day supply of any single drug.