

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 Goodwin, Lombardo, Ruggerio, and Valverde

Date Introduced: March 30, 2023

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Legislative findings.

2 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; and

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

13 SECTION 2. Chapter 27-18 of the General Laws entitled "Accident and Sickness Insurance
14 Policies" is hereby amended by adding thereto the following section:

15 **27-18-50.2. Specialty drugs.**

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

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

- 1 (i) May have no known cure;
- 2 (ii) Is progressive; or
- 3 (iii) Can be debilitating or fatal if left untreated or undertreated.
- 4 "Complex or chronic medical condition" includes, but is not limited to, multiple sclerosis,
- 5 hepatitis c, and rheumatoid arthritis.
- 6 (2) "Pre-service authorization" means a cost containment method that an insurer, a
- 7 nonprofit health service plan, or a health maintenance organization uses to review and preauthorize
- 8 coverage for drugs prescribed by a health care provider for a covered individual to control
- 9 utilization, quality, and claims.
- 10 (3) "Rare medical condition" means a disease or condition that affects fewer than:
- 11 (i) Two hundred thousand (200,000) individuals in the United States; or
- 12 (ii) Approximately one in one thousand five hundred (1,500) individuals worldwide.
- 13 "Rare medical condition" includes, but is not limited to, cystic fibrosis, hemophilia, and
- 14 multiple myeloma.
- 15 (4) "Specialty drug" means a prescription drug that:
- 16 (i) Is prescribed for an individual with a complex or chronic medical condition or a rare
- 17 medical condition; and
- 18 (ii) Has a wholesale acquisition cost or negotiated price that exceeds the Medicare Part D
- 19 specialty tier threshold, as updated from time to time.
- 20 (b) Every individual or group health insurance contract, plan or policy that provides
- 21 prescription coverage and is delivered, issued for delivery or renewed in this state on or after
- 22 January 1, 2024, shall not impose a copayment or coinsurance requirement on a covered specialty
- 23 drug that exceeds one hundred fifty dollars (\$150) for up to a thirty (30)-day supply of the specialty
- 24 drug. A pre-service authorization may be used to provide coverage for specialty drugs. Coverage
- 25 for prescription specialty drugs shall not be subject to any deductible, unless prohibiting a
- 26 deductible requirement would cause a health plan to not qualify as a high deductible health plan.
- 27 (c) Nothing in this section prevents an insurer, health maintenance plan, or nonprofit
- 28 medical plan from reducing a covered individual's cost sharing to an amount less than one hundred
- 29 fifty dollars (\$150) for a thirty (30)-day supply of a specialty drug.
- 30 (d) The health insurance commissioner may promulgate any rules and regulations
- 31 necessary to implement and administer this section in accordance with any federal requirements
- 32 and shall use the commissioner's enforcement powers to obtain compliance with the provisions of
- 33 this section.

34 SECTION 3. Chapter 27-19 of the General Laws entitled "Nonprofit Hospital Service

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

2 **27-19-42.1. Specialty drugs.**

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

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

7 (i) May have no known cure;

8 (ii) Is progressive; or

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

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

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

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

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

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

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

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

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

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

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

33 (c) Nothing in this section prevents an insurer, health maintenance plan, or nonprofit
34 medical plan from reducing a covered individual's cost sharing to an amount less than one hundred

1 fifty dollars (\$150) for a thirty (30)-day supply of a specialty drug.

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

6 SECTION 4. Chapter 27-20 of the General Laws entitled "Nonprofit Medical Service
7 Corporations" is hereby amended by adding thereto the following section:

8 **27-20-37.1. Specialty drugs.**

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

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

13 (i) May have no known cure;

14 (ii) Is progressive; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 SECTION 5. Chapter 27-41 of the General Laws entitled "Health Maintenance
18 Organizations" is hereby amended by adding thereto the following section:

19 **27-41-38.3. Specialty drugs.**

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

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

24 (i) May have no known cure;

25 (ii) Is progressive; or

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

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

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

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

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

1 (ii) Approximately one in one thousand five hundred (1,500) individuals worldwide.
2 "Rare medical condition" includes, but is not limited to, cystic fibrosis, hemophilia, and
3 multiple myeloma.
4 (4) "Specialty drug" means a prescription drug that:
5 (i) Is prescribed for an individual with a complex or chronic medical condition or a rare
6 medical condition; and
7 (ii) Has a wholesale acquisition cost or negotiated price that exceeds the Medicare Part D
8 specialty tier threshold, as updated from time to time.
9 (b) Every individual or group health insurance contract, plan or policy that provides
10 prescription coverage and is delivered, issued for delivery or renewed in this state on or after
11 January 1, 2024, shall not impose a copayment or coinsurance requirement on a covered specialty
12 drug that exceeds one hundred fifty dollars (\$150) for up to a thirty (30)-day supply of the specialty
13 drug. A pre-service authorization may be used to provide coverage for specialty drugs. Coverage
14 for prescription specialty drugs shall not be subject to any deductible, unless prohibiting a
15 deductible requirement would cause a health plan to not qualify as a high deductible health plan.
16 (c) Nothing in this section prevents an insurer, health maintenance plan, or nonprofit
17 medical plan from reducing a covered individual's cost sharing to an amount less than one hundred
18 fifty dollars (\$150) for a thirty (30)-day supply of a specialty drug.
19 (d) The health insurance commissioner may promulgate any rules and regulations
20 necessary to implement and administer this section in accordance with any federal requirements
21 and shall use the commissioner's enforcement powers to obtain compliance with the provisions of
22 this section.

23 SECTION 6. 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

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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