
OLR Bill Analysis

sSB 394

AN ACT CONCERNING REQUIREMENTS FOR INSURERS' USE OF STEP THERAPY.

SUMMARY:

This bill bars certain health insurers that use prescription drug step therapy regimens from requiring their use for more than 60 days. Under the bill, "step therapy" is a protocol or program that establishes the specific sequence for prescribing drugs for a specified medical condition.

At the end of the step therapy period, the bill allows an insured's treating health care provider to determine that the step therapy regimen is clinically ineffective for the insured. At that point, the insurer must authorize dispensation of and coverage for the drug prescribed by the provider, if it is covered under the insurance policy or contract.

The bill requires insurers to establish and disclose to its providers a process by which they may request, at any time, an authorization to override any step therapy regimen. It prescribes the conditions under which the insurer must grant the override. If the provider does not consider the step therapy regimen to be ineffective or does not request an override, the drug regimen may be continued.

These step therapy provisions apply to individual and group policies and contracts delivered, issued, renewed, amended, or continued by an insurance entity. These entities include insurance companies, health care centers (HMOs), hospital service corporations, and medical service corporations (collectively referred to as "insurers").

The bill does not (1) prevent an insured or provider from requesting a review of an adverse decision (e.g., claims denial) under existing law

or (2) affect the law that requires insurers to cover pain management treatments.

Lastly, the bill expands the prohibition on insurers requiring insureds to obtain prescription drugs from a mail order pharmacy. By law, health insurance policies issued by an insurance company, hospital or medical service corporation, or a health care center may not require an insured to obtain prescription drugs from a mail order pharmacy in order to obtain benefits for the drugs. The bill expands the scope of the law to cover (1) all other types of insurance entities covering prescription drugs and (2) insurance contracts as well as policies that are delivered, renewed, amended, or continued.

EFFECTIVE DATE: January 1, 2015

OVERRIDE

The bill requires insurers to establish and disclose to its providers a process by which they may request, at any time, an override of any step therapy regimen. The bill requires that the override process be convenient for providers to use.

The insurer must expeditiously grant an override if a provider demonstrates that the drug regimen required under step therapy (1) has been ineffective for treating the insured's medical condition; (2) is expected to be ineffective based on the insured's known relevant physical or mental characteristics and the known characteristics of the drug regimen; (3) will or will likely cause an adverse reaction by, or physical harm to, the insured; or (4) is not in the insured's best interest, based on medical necessity. If the insurer grants an override, it must authorize dispensation of, and coverage for, the drug prescribed by the provider, as long as it is covered under the insurance policy or contract.

BACKGROUND

Legislative History

The Senate referred the bill (File 288) to the Appropriations Committee, which favorably reported a substitute that increases, from

30 to 60 days, the maximum period insurers can require the use of step therapy if the provider considers the regimen to be ineffective.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 15 Nay 3 (03/18/2014)

Appropriations Committee

Joint Favorable Substitute

Yea 32 Nay 12 (04/15/2014)