



STATE LAWS LIMITING PRESCRIPTION DRUG COST SHARING

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ISSUE

Do any states limit the amount an insured person must pay toward prescription drugs that are covered by a health insurance policy?

SUMMARY

At least six states limit an insured person's prescription drug cost sharing (e.g., copayments and coinsurance): California, Delaware, Louisiana, Maine, Maryland, and Vermont. (This information is based on a WestLaw search of state statutes and information from the National Conference of State Legislatures.)

Four of these states (California, Delaware, Louisiana, and Maryland) limit the amount an insured person must pay for a 30-day supply of a prescription drug. In California, the cap applies to all prescription drugs, while in the other three, the cap applies only to specialty-tier drugs, which typically are the highest-cost drugs.

Maine and Vermont impose an annual cap on the out-of-pocket expenses an insured person must pay for prescription drugs.

Table 1 details the six states' prescription drug cost-sharing limits.



Table 1: State Laws Limiting Prescription Drug Cost Sharing

State and Citation	Applicability	Cost-Sharing Limit
California Cal. Ins. Code §§ 10123.193 & 1342.71	Applies to non-grandfathered health insurance policies and health care service plan contracts offered, amended, or renewed on or after January 1, 2017	Copayment, coinsurance, or any other form of cost sharing (excluding deductible) for an outpatient prescription drug cannot exceed \$250 for a supply of up to 30 days (\$500 for a bronze level plan under the federal Affordable Care Act) For high deductible health plans, a person must meet the annual deductible before the prescription drug limit applies For a non-grandfathered individual or small group policy or contract, the annual deductible for outpatient prescription drugs cannot exceed twice the above limits
Delaware Del. Code Ann. tit. 18, §§ 3364 & 3580	Applies to insurance policies that cover prescription drugs and use a specialty drug tier	Copayment or coinsurance for a specialty-tier drug cannot exceed \$150 per month for a supply of up to 30 days
Louisiana La. Rev. Stat. Ann. § 22:1060.5	Applies to health benefit plans that cover prescription drugs and use a specialty drug tier	Copayment or coinsurance for a specialty-tier drug cannot exceed \$150 per month for a supply of up to 30 days Limit applies after deductible is reached and until the out-of-pocket maximum is reached
Maine Me. Rev. Stat. Ann. tit. 24-A, § 4317-A	Applies to an insurance policy that covers prescription drugs but does not include prescription drugs subject to a coinsurance under the policy's total out-of-pocket maximum	The policy must contain a separate out-of-pocket maximum for prescription drugs subject to coinsurance, under which a person's out-of-pocket expenses for such drugs cannot exceed \$3,500 annually
Maryland Md. Code Ann., Ins. §§15-842 & 15-847	Applies to insurance policies, health service plans, and HMO contracts that cover prescription drugs	Copayment or coinsurance for a specialty-tier drug cannot exceed \$150 for a supply of up to 30 days (increases every July 1, indexed to inflation) Copayment or coinsurance for a prescription drug cannot exceed the retail price of the drug
Vermont Vt. Stat. Ann., tit. 8, § 4089i	Applies to health insurance policies and health benefit plans offered by a health insurer or pharmacy benefit manager	A person's annual out-of-pocket expenditures for prescription drugs cannot exceed the federal limits for high deductible health plans (IRC § 223(c)(2)(A)(i)) (currently \$1,300 for self-only coverage and \$2,600 for family coverage) For high deductible health plans, a person must meet the annual deductible before the prescription drug limit applies

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