OLR Bill Analysis

sHB 6096

AN ACT LIMITING CHANGES TO PRESCRIPTION DRUG FORMULARIES AND LISTS OF COVERED DRUGS.

SUMMARY

This bill prohibits health carriers (e.g., insurers and HMOs) offering a health benefit plan that covers prescription drugs and uses a formulary (i.e., a list of covered prescription drugs) from removing from the formulary or moving to a higher cost-sharing tier, any covered drug during the plan year except as specifically allowed.

The bill allows a health carrier to remove a drug from a formulary if the U.S. Food and Drug Administration (FDA) does not approve the drug, calls into question the drug's clinical safety, or approves the drug for over-the-counter use. It also allows a carrier to move a brand name drug to a higher cost-sharing tier if it also adds an FDA-approved generic alternative to the formulary at a lower cost-sharing tier than the brand name drug.

Lastly, the bill allows a carrier to add a prescription drug to a formulary at any time.

EFFECTIVE DATE: January 1, 2020

APPLICABILITY OF BILL'S PROVISIONS

The bill generally applies to each insurer, HMO, hospital or medical service corporation, fraternal benefit society, or other entity that delivers, issues, renews, amends, or continues individual or group health insurance policies in Connecticut that cover (1) basic hospital expenses, (2) basic medical-surgical expenses, (3) major medical expenses, or (4) hospital or medical services. However, it does not apply to a grandfathered health plan, which is a plan that existed on March 23, 2010, that has not made significant coverage changes since.

Because of the federal Employee Retirement Income Security Act (ERISA), state insurance benefit mandates do not apply to self-insured benefit plans.

BACKGROUND

Related Law

The law prohibits health carriers that cover outpatient prescription drugs from denying coverage for any drug removed from a formulary if (1) an insured person was using the drug to treat a chronic illness and had been covered for it before the removal and (2) his or her attending physician states in writing, after the removal, that the drug is medically necessary and why it is more beneficial than other drugs on the formulary (CGS §§ 38a-492f & 38a-518f).

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute
Yea 16 Nay 4 (03/19/2019)