



# Senate

General Assembly

January Session, 2019

**File No. 307**

Senate Bill No. 33

*Senate, April 2, 2019*

The Committee on Insurance and Real Estate reported through SEN. LESSER of the 9th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

***AN ACT CONCERNING HEALTH INSURANCE COVERAGE OF ORALLY AND INTRAVENOUSLY ADMINISTERED PRESCRIPTION DRUGS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective January 1, 2020*) Each individual health  
2 insurance policy providing coverage of the type specified in  
3 subdivisions (1), (2), (4), (11), (12) and (16) of section 38a-469 of the  
4 general statutes delivered, issued for delivery, renewed, amended or  
5 continued in this state on or after January 1, 2020, providing coverage  
6 for prescription drugs shall provide coverage for orally administered  
7 prescription drugs on a basis that is no less favorable than the basis on  
8 which such policy provides coverage for intravenously administered  
9 prescription drugs.

10 Sec. 2. (NEW) (*Effective January 1, 2020*) Each group health insurance  
11 policy providing coverage of the type specified in subdivisions (1), (2),  
12 (4), (11), (12) and (16) of section 38a-469 of the general statutes  
13 delivered, issued for delivery, renewed, amended or continued in this

14 state on or after January 1, 2020, providing coverage for prescription  
15 drugs shall provide coverage for orally administered prescription  
16 drugs on a basis that is no less favorable than the basis on which such  
17 policy provides coverage for intravenously administered prescription  
18 drugs.

This act shall take effect as follows and shall amend the following sections:		
---	--	--

Section 1	<i>January 1, 2020</i>	New section
Sec. 2	<i>January 1, 2020</i>	New section

**INS**      *Joint Favorable*

*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 20 \$	FY 21 \$
State Comptroller - Fringe Benefits (State Employee and Retiree Health Plan)	GF, TF - Cost	At least \$20,000	At least \$20,000

**Municipal Impact:**

Municipalities	Effect	FY 20 \$	FY 21 \$
Various Municipalities	STATE MANDATE <sup>1</sup> - Cost	See Below	See Below

**Explanation**

The bill will result in a cost to the state employee and retiree health plan of at least \$20,000 and to fully-insured municipal plans to provide coverage for orally administered medications no less favorably than intravenously (IV) administered medications. The cost to the state plan is the result of waiving co-pays for those individuals prescribed an orally administered medication for which there is an equivalent IV administered medication.

The state employee and retiree health plan covers medically necessary oral and IV medications. IV medications are traditionally billed through the medical benefit based on (1) the site of services and (2) other medical care associated with IV administration. In contrast,

---

<sup>1</sup> State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

orally administered medications are traditionally billed through the pharmacy benefit and are subject to the following to copays which range from \$0 to \$40. The state plan will incur a cost of at least \$20,000 from waiving copays for orally administered medication for which there is an IV alternative.

### **Municipal Impact**

As previously stated, the bill will increase costs to certain fully insured, municipal plans that do not currently adhere to the coverage requirements of the bill. The impact will be reflected in premiums for policies entered into on and after January 1, 2020. In addition, many municipal health plans are recognized as “grandfathered” health plans under the ACA.<sup>2</sup> It is unclear what effect the adoption of certain health mandates will have on the grandfathered status of certain municipal plans under ACA. Pursuant to federal law, self-insured health plans are exempt from state health mandates.<sup>3</sup>

### **The Out Years**

The annualized ongoing fiscal impact identified above will continue into the future and be realized in the claims experience of the state and for fully-insured municipal plans, in future premiums.

---

<sup>2</sup> Grandfathered plans include most group insurance plans and some individual health plans created or purchased on or before March 23, 2010.

<sup>3</sup> The state employee and retiree health plan is self-insured and therefore exempt from state health mandate. However, the state has historically adopted all state health insurance mandates.

**OLR Bill Analysis****SB 33*****AN ACT CONCERNING HEALTH INSURANCE COVERAGE OF ORALLY AND INTRAVENOUSLY ADMINISTERED PRESCRIPTION DRUGS.*****SUMMARY**

This bill requires certain health insurance policies that cover prescription drugs to provide coverage for orally administered prescription drugs on a basis that is at least as favorable as coverage for intravenously administered prescription drugs.

The bill applies to individual or group health insurance policies delivered, issued, renewed, amended, or continued in Connecticut that cover (1) basic hospital expenses; (2) basic medical-surgical expenses; (3) major medical expenses; (4) hospital or medical services, including those provided under an HMO plan; or (5) single service ancillary health coverage, including, prescription drug coverage. Because of the federal Employee Retirement Income Security Act (ERISA), state insurance benefit mandates do not apply to self-insured benefit plans.

EFFECTIVE DATE: January 1, 2020

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable

Yea 13 Nay 7 (03/14/2019)