

Step Therapy in Fully Insured Commercial Health Insurance Plans in Connecticut

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Issue

Summarize Connecticut's step therapy laws, as amended in the 2023 legislative session.

Summary

Step therapy is a health insurance protocol establishing the sequence for prescribing drugs for specific medical conditions that generally requires patients to try less expensive drugs before higher cost drugs.

Proponents of step therapy argue that it saves money for insurers and plan participants. Opponents argue that it has negative impacts on patient outcomes. According to a 2021 [research brief](#) in the Journal of Managed Care and Specialty Pharmacy, “evidence of the effect of step therapy on health care costs and outcomes is mixed—the short-term cost savings may be outweighed by long-term increases in other health care use.”

The Connecticut legislature considered legislation on step therapy over the last several years. In 2023, the legislature enacted laws (1) limiting step therapy use, (2) establishing a three-year period in which step therapy is prohibited for certain behavioral or mental health conditions, and (3) creating a task force to study the practice and make recommendations to the General Assembly.

State health insurance requirements such as step therapy limitations generally apply only to fully insured commercial health insurance plans. According to the [Connecticut Insurance Department's](#)

[October 2022 Consumer Report Card \(pages 8 & 9\)](#), approximately 24% of insured lives in Connecticut are covered by a fully insured plan.

Information on step therapy laws in nearby states is available in [OLR Report 2022-R-0159](#).

Connecticut Law

Step Therapy Generally

State law prohibits health carriers (e.g., insurers and HMOs) from requiring an insured person to use a step-therapy protocol for longer than a prescribed time period. [PA 23-204 §§ 225 & 226](#) shortens this period, from 60 to 30 days, effective January 1, 2024.

At the end of this time period, an insured's health care provider can deem the step therapy drug regimen clinically ineffective, at which point the health carrier must cover the drug prescribed by the provider (as long as the drug is covered by the insured's health insurance plan). If the provider does not consider the step therapy regimen to be ineffective or does not request an override as the law allows, the drug regimen may be continued.

State law requires health carriers that use step therapy to (1) disclose the process by which a treating health care provider may request an override and (2) make it convenient to do so. Additionally, a request must be granted expeditiously if an insured's health care provider demonstrates that the step therapy regimen:

1. has been previously ineffective in treating the insured;
2. is expected to be ineffective based on known relevant medical criteria and the insured's individual medical characteristics;
3. will or is likely to cause an adverse reaction or physically harm the insured; or
4. is not in the insured's best interest, based on medical necessity ([CGS §§ 38a-510 & 544](#)).

Additionally, state law requires health carriers to provide insureds a way to determine whether a prescription drug is covered by their specific health insurance plan, and if so, whether it requires a step therapy regimen ([CGS § 38-477d](#)).

Stage IV Metastatic Cancer

The law prohibits step therapy use for drugs used to treat stage IV metastatic cancer, as long as the drugs comply with approved federal Food and Drug Administration indications ([CGS §§ 38a-510 & 544](#)). For these drugs, a health care provider does not need to wait the 30 days to deem it

ineffective. Once it has been deemed ineffective, 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.

Certain Behavioral or Mental Health Conditions

For the three-year period beginning January 1, 2024, a new law prohibits step therapy for drugs used to treat schizophrenia, major depressive disorder, or bipolar disorder ([PA 23-204 §§ 225 & 226](#)). The law allows a health care provider treating an insured with these conditions to deem step therapy clinically ineffective without waiting the 30 days. As with a drug regimen used to treat metastatic cancer, an insurer must authorize and cover a drug prescribed by the provider and deemed ineffective, if it is covered under the insurance policy or contract.

Step Therapy Task Force

In 2023, the legislature created a 23-member Step Therapy Task Force to study how to collect data on step therapy, including step therapy edits, rejections, and appeals for behavioral health drugs ([PA 23-204 § 227](#)). The task force must report its findings and recommendations to the Insurance and Real Estate and Public Health committees by February 1, 2024. The task force terminates when it submits its report or on February 1, 2024, whichever is earlier.

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