



# Senate

General Assembly

**File No. 20**

February Session, 2024

Substitute Senate Bill No. 182

*Senate, March 13, 2024*

The Committee on Public Health reported through SEN. ANWAR of the 3rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT PROHIBITING CERTAIN HEALTH CARRIERS FROM REQUIRING STEP THERAPY FOR PRESCRIPTION DRUGS USED TO TREAT A MENTAL OR BEHAVIORAL HEALTH CONDITION OR A CHRONIC, DISABLING OR LIFE-THREATENING CONDITION.***

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

1 Section 1. Section 38a-510 of the 2024 supplement to the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective January 1, 2025*):

4 (a) No insurance company, hospital service corporation, medical  
5 service corporation, health care center or other entity delivering, issuing  
6 for delivery, renewing, amending or continuing an individual health  
7 insurance policy or contract that provides coverage for prescription  
8 drugs may:

9 (1) Require any person covered under such policy or contract to  
10 obtain prescription drugs from a mail order pharmacy as a condition of  
11 obtaining benefits for such drugs; or

12 (2) Require, if such insurance company, hospital service corporation,  
13 medical service corporation, health care center or other entity uses step  
14 therapy for such drugs, the use of step therapy (A) for any prescribed  
15 drug for longer than [thirty] twenty days, (B) for a prescribed drug for  
16 cancer treatment for an insured who has been diagnosed with stage IV  
17 metastatic cancer provided such prescribed drug is in compliance with  
18 approved federal Food and Drug Administration indications, [or] (C)  
19 for the period commencing January 1, 2024, and ending January 1, 2027,  
20 inclusive, for the treatment of schizophrenia, major depressive disorder  
21 or bipolar disorder, as defined in the most recent edition of the  
22 American Psychiatric Association's "Diagnostic and Statistical Manual  
23 of Mental Disorders", (D) for the period commencing January 1, 2025,  
24 for a prescribed drug for the treatment of a mental or behavioral health  
25 condition, provided such prescribed drug is in compliance with  
26 approved federal Food and Drug Administration indications, or (E) for  
27 the period commencing January 1, 2025, for a prescribed drug for the  
28 treatment of a chronic, disabling or life-threatening condition or disease,  
29 provided such prescribed drug is in compliance with approved federal  
30 Food and Drug Administration indications.

31 (3) At the expiration of the time period specified in subparagraph (A)  
32 of subdivision (2) of this subsection or for a prescribed drug described  
33 in subparagraph (B), [or] (C), (D) or (E) of subdivision (2) of this  
34 subsection, an insured's treating health care provider may deem such  
35 step therapy drug regimen clinically ineffective for the insured, at which  
36 time the insurance company, hospital service corporation, medical  
37 service corporation, health care center or other entity shall authorize  
38 dispensation of and coverage for the drug prescribed by the insured's  
39 treating health care provider, provided such drug is a covered drug  
40 under such policy or contract. If such provider does not deem such step  
41 therapy drug regimen clinically ineffective or has not requested an  
42 override pursuant to subdivision (1) of subsection (b) of this section,  
43 such drug regimen may be continued. For purposes of this section, "step  
44 therapy" means a protocol or program that establishes the specific  
45 sequence in which prescription drugs for a specified medical condition  
46 are to be prescribed.

47 (b) (1) Notwithstanding the [sixty-day] twenty-day period set forth  
48 in subparagraph (A) of subdivision (2) of subsection (a) of this section,  
49 each insurance company, hospital service corporation, medical service  
50 corporation, health care center or other entity that uses step therapy for  
51 such prescription drugs shall establish and disclose to its health care  
52 providers a process by which an insured's treating health care provider  
53 may request at any time an override of the use of any step therapy drug  
54 regimen. Any such override process shall be convenient to use by health  
55 care providers and an override request shall be expeditiously granted  
56 when an insured's treating health care provider demonstrates that the  
57 drug regimen required under step therapy (A) has been ineffective in  
58 the past for treatment of the insured's medical condition, (B) is expected  
59 to be ineffective based on the known relevant physical or mental  
60 characteristics of the insured and the known characteristics of the drug  
61 regimen, (C) will cause or will likely cause an adverse reaction by or  
62 physical harm to the insured, or (D) is not in the best interest of the  
63 insured, based on medical necessity.

64 (2) Upon the granting of an override request, the insurance company,  
65 hospital service corporation, medical service corporation, health care  
66 center or other entity shall authorize dispensation of and coverage for  
67 the drug prescribed by the insured's treating health care provider,  
68 provided such drug is a covered drug under such policy or contract.

69 (c) Nothing in this section shall (1) preclude an insured or an  
70 insured's treating health care provider from requesting a review under  
71 sections 38a-591c to 38a-591g, inclusive, or (2) affect the provisions of  
72 section 38a-492i.

73 Sec. 2. Section 38a-544 of the 2024 supplement to the general statutes  
74 is repealed and the following is substituted in lieu thereof (*Effective*  
75 *January 1, 2025*):

76 (a) No insurance company, hospital service corporation, medical  
77 service corporation, health care center or other entity delivering, issuing  
78 for delivery, renewing, amending or continuing a group health  
79 insurance policy or contract that provides coverage for prescription

80 drugs may:

81 (1) Require any person covered under such policy or contract to  
82 obtain prescription drugs from a mail order pharmacy as a condition of  
83 obtaining benefits for such drugs; or

84 (2) Require, if such insurance company, hospital service corporation,  
85 medical service corporation, health care center or other entity uses step  
86 therapy for such drugs, the use of step therapy (A) for any prescribed  
87 drug for longer than [thirty] twenty days, (B) for a prescribed drug for  
88 cancer treatment for an insured who has been diagnosed with stage IV  
89 metastatic cancer provided such prescribed drug is in compliance with  
90 approved federal Food and Drug Administration indications, [or] (C)  
91 for the period commencing January 1, 2024, and ending January 1, 2027,  
92 inclusive, for the treatment of schizophrenia, major depressive disorder  
93 or bipolar disorder, as defined in the most recent edition of the  
94 American Psychiatric Association's "Diagnostic and Statistical Manual  
95 of Mental Disorders", (D) for the period commencing January 1, 2025,  
96 for a prescribed drug for the treatment of a mental or behavioral health  
97 condition, provided such prescribed drug is in compliance with  
98 approved federal Food and Drug Administration indications, or (E) for  
99 the period commencing January 1, 2025, for a prescribed drug for the  
100 treatment of a chronic, disabling or life-threatening condition or disease,  
101 provided such prescribed drug is in compliance with approved federal  
102 Food and Drug Administration indications.

103 (3) At the expiration of the time period specified in subparagraph (A)  
104 of subdivision (2) of this subsection or for a prescribed drug described  
105 in subparagraph (B), [or] (C), (D) or (E) of subdivision (2) of this  
106 subsection, an insured's treating health care provider may deem such  
107 step therapy drug regimen clinically ineffective for the insured, at which  
108 time the insurance company, hospital service corporation, medical  
109 service corporation, health care center or other entity shall authorize  
110 dispensation of and coverage for the drug prescribed by the insured's  
111 treating health care provider, provided such drug is a covered drug  
112 under such policy or contract. If such provider does not deem such step

113 therapy drug regimen clinically ineffective or has not requested an  
114 override pursuant to subdivision (1) of subsection (b) of this section,  
115 such drug regimen may be continued. For purposes of this section, "step  
116 therapy" means a protocol or program that establishes the specific  
117 sequence in which prescription drugs for a specified medical condition  
118 are to be prescribed.

119 (b) (1) Notwithstanding the [sixty-day] twenty-day period set forth  
120 in subparagraph (A) of subdivision (2) of subsection (a) of this section,  
121 each insurance company, hospital service corporation, medical service  
122 corporation, health care center or other entity that uses step therapy for  
123 such prescription drugs shall establish and disclose to its health care  
124 providers a process by which an insured's treating health care provider  
125 may request at any time an override of the use of any step therapy drug  
126 regimen. Any such override process shall be convenient to use by health  
127 care providers and an override request shall be expeditiously granted  
128 when an insured's treating health care provider demonstrates that the  
129 drug regimen required under step therapy (A) has been ineffective in  
130 the past for treatment of the insured's medical condition, (B) is expected  
131 to be ineffective based on the known relevant physical or mental  
132 characteristics of the insured and the known characteristics of the drug  
133 regimen, (C) will cause or will likely cause an adverse reaction by or  
134 physical harm to the insured, or (D) is not in the best interest of the  
135 insured, based on medical necessity.

136 (2) Upon the granting of an override request, the insurance company,  
137 hospital service corporation, medical service corporation, health care  
138 center or other entity shall authorize dispensation of and coverage for  
139 the drug prescribed by the insured's treating health care provider,  
140 provided such drug is a covered drug under such policy or contract.

141 (c) Nothing in this section shall (1) preclude an insured or an  
142 insured's treating health care provider from requesting a review under  
143 sections 38a-591c to 38a-591g, inclusive, or (2) affect the provisions of  
144 section 38a-518i.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2025</i>	38a-510
Sec. 2	<i>January 1, 2025</i>	38a-544

**PH**      *Joint Favorable Subst.*

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 25 \$	FY 26 \$
State Comptroller - Fringe Benefits	GF - Cost	See Below	See Below

Note: GF=General Fund

**Municipal Impact:**

Municipalities	Effect	FY 25 \$	FY 26 \$
Various Municipalities	STATE MANDATE <sup>1</sup> - Cost	See Below	See Below

**Explanation**

The bill, which eliminates a health carrier's use of step therapy, results in a cost to the State Comptroller - Fringe Benefits account annually dependent on claims data for the state employee health plan. Step therapy is used as a cost management tool, and its prohibition for prescription drugs to treat a mental or behavioral health, chronic, disabling, or life-threatening condition or disease is likely to be reflected in higher premiums for the state employee health plan through an increased per member per month cost. The conditions listed in the bill are associated with the highest claimants on the plans, whose claims are largely driven by prescription drug costs. The elimination of step therapy for these conditions, as well as the lower step therapy maximum time frame for all other conditions will result in a fiscal impact to the state, assuming an increase in claim costs.

<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.

The bill also results in potential costs to various municipalities that have either self or fully insured health plans or participate in the Partnership plan to the extent higher claim costs increase plan premiums. Fully insured municipalities will face costs up to \$3.72 per member per month (pmpm) as an estimate based on carrier data<sup>2</sup>. This rate is subject to change. Due to federal law, self-insured health plans are exempt from state health insurance benefit mandates, so potential costs are contingent on the plan electing to adopt the mandate.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

*Sources: State Employee Health Plan Provider*

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<sup>2</sup> The pmpm estimate compares national step therapy data with state level prescriptions costs to determine an attributable state cost.



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**OLR Bill Analysis****sSB 182*****AN ACT PROHIBITING CERTAIN HEALTH CARRIERS FROM REQUIRING STEP THERAPY FOR PRESCRIPTION DRUGS USED TO TREAT A MENTAL OR BEHAVIORAL HEALTH CONDITION OR A CHRONIC, DISABLING OR LIFE-THREATENING CONDITION.*****SUMMARY**

Step therapy is a prescription drug protocol that generally requires patients to try less expensive drugs before higher-cost drugs. This bill prohibits individual and group health insurance policies or contracts from requiring the use of step therapy for drugs used to treat a mental or behavioral health condition or a chronic, disabling, or life-threatening condition or disease, as long as the drug complies with approved Food and Drug Administration indications. Existing law already prohibits health carriers (e.g., insurers and HMOs) from requiring the use of step therapy for (1) stage IV metastatic cancer (indefinitely) or (2) schizophrenia, major depressive disorder, or bipolar disorder (until January 1, 2027).

For drugs prescribed for other conditions, the bill reduces how long a carrier can require an insured to use step therapy from 30 to 20 days.

Under the bill, as under existing law, a patient's provider can deem step therapy as clinically ineffective for the patient (immediately for the prohibited conditions or at the end of the waiting period for other conditions), at which point the carrier must cover the drugs prescribed by the provider, as long as they are covered under the insurance policy or contract. If the provider does not consider the step therapy regimen to be ineffective or does not request an override as the law allows, the regimen may be continued.

The bill applies to individual and group health insurance policies or contracts that provide coverage for prescription drugs and are delivered, issued, renewed, amended, or continued by an insurer, hospital or medical service corporation, health care center (i.e., HMO), or other entity.

EFFECTIVE DATE: January 1, 2025

**COMMITTEE ACTION**

Public Health Committee

Joint Favorable Substitute

Yea 30 Nay 7 (03/04/2024)