

HOUSE BILL NO. 218

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE HEALTH AND SOCIAL SERVICES COMMITTEE

Introduced: 3/31/11

Referred: Health and Social Services, Labor and Commerce

A BILL

FOR AN ACT ENTITLED

1 **"An Act prohibiting an insurer from using a drug formulary system of specialty tiers**
2 **under certain circumstances."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 LEGISLATIVE FINDINGS. The legislature finds that

7 (1) cost sharing, deductibles, and coinsurance obligations for certain drugs are
8 becoming prohibitively expensive for persons trying to overcome serious and often life-
9 threatening diseases and conditions, such as cancer, multiple sclerosis, rheumatoid arthritis,
10 hepatitis C, hemophilia, and psoriasis, and that drugs for treatment of those illnesses and
11 conditions are typically new, produced in lesser quantities than other drugs, and not available
12 as less expensive brand-name or generic prescription drugs;

13 (2) some health insurance plans and policies in other states have established
14 unique categories or specialty tiers for certain drugs, under which patients are required to pay

1 a higher percentage of the cost of high-priced prescription drugs rather than the traditional
 2 copayment amounts for generic, preferred brand, and nonpreferred brand prescription drugs;
 3 as a result, patients covered under plans in states that allow specialty tiers pay excessively
 4 high amounts for drugs that are critical for their treatment;

5 (3) helping to ensure that patients are well informed about potential expenses
 6 resulting from cost sharing, deductibles, and coinsurance obligations that exceed insurance
 7 coverage for prescription drugs or equivalents is in the public interest;

8 (4) the extraordinary disparity in cost sharing, deductible, and coinsurance
 9 burdens imposed by an insurer's use of unique categories or specialty tiers for patients whose
 10 life and health depend on certain prescription drugs can place serious hardships on individuals
 11 based on their diseases or conditions.

12 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
 13 read:

14 **LEGISLATIVE INTENT.** This Act intends to provide patients timely information
 15 relating to the cost of prescription drugs essential for the treatment of cancer, multiple
 16 sclerosis, rheumatoid arthritis, hepatitis C, hemophilia, psoriasis, and other diseases or
 17 conditions.

18 * **Sec. 3.** AS 21.42 is amended by adding a new section to read:

19 **Sec. 21.42.420. Coverage for prescription drugs; specialty drug tiers**
 20 **prohibited.** A health care insurer that offers, issues, delivers, or renews a health care
 21 insurance plan in the individual or group market in the state that provides coverage for
 22 prescription drugs for which cost sharing, deductibles, or copayment obligations are
 23 determined by unique categories or specialty tiers may impose cost sharing,
 24 deductibles, or copayment obligations for a unique category or specialty tier
 25 prescription drug that exceed the dollar amount of cost sharing, deductibles, or
 26 copayment obligations, as applicable, for a nonpreferred brand drug or the drug's
 27 equivalent, but only if the insurer notifies the insured of the cost sharing, deductible,
 28 or copayment terms applicable to unique categories or specialty tiers at least 90 days
 29 before the terms apply.

30 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
 31 read:

1 APPLICABILITY. AS 21.42.420, added by sec. 3 of this Act, applies to a health
2 insurance plan offered, issued for delivery, delivered, or renewed on or after the effective date
3 of this Act.