2019 Regular Session

HOUSE BILL NO. 119

BY REPRESENTATIVE BISHOP

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE/HEALTH: Provides relative to the denial of a prescription based upon step therapy or fail first protocols or nonformulary status

AN ACT

To amend and reenact R.S. 22:1053(A) and (D) and 1060.2(introductory paragraph) and to enact R.S. 22:1053(E) and 1060.2(4), relative to the coverage of prescription drugs through a formulary; to require an insurer to provide a prescriber with a list of the alternative comparable formulary medications; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1053(A) and (D) and 1060.2(introductory paragraph) are hereby amended and reenacted and R.S. 22:1053(E) and 1060.2(4) are hereby enacted to read as follows:

§1053. Requirement for coverage of step therapy or fail first protocols

A. ~~Notwithstanding the provisions of R.S. 22:1047 to the contrary, any~~ Any health ~~care~~ coverage plan specified in Subsection ~~D~~ E of this Section which includes prescription benefits as part of its policy or contract, which utilizes step therapy or fail first protocols, and which is issued for delivery, delivered, renewed, or otherwise contracted for in this state on or after January 1, 2011, shall comply with the provisions of this Section.

* * *

D.(1) If a prescribed drug is denied by a health coverage plan based upon step therapy or fail first protocols, the health coverage plan shall provide the prescriber with a list of the alternative comparable formulary medications in writing and attached to the letter of denial of prescription drug coverage.

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

(2) It shall be deemed sufficient to meet the requirements of this Subsection if a health coverage plan includes the information required by this Subsection in the denial letter sent by the health coverage plan or its agent.

(3) Simple notification of the availability and location of the formulary shall not be deemed sufficient to meet the requirements of this Subsection.

E. As used in this Section, a "health coverage plan" shall mean any hospital, health, or medical expense insurance policy, hospital or medical service contract, employee welfare benefit plan, contract or agreement with a health maintenance organization or a preferred provider organization, health and accident insurance policy, or any other insurance contract of this type, including a group insurance plan and the Office of Group Benefits programs.

* * *

§1060.2. Notice and disclosure of certain information required

A health insurance issuer of a health benefit plan that covers prescription drugs and uses one or more drug formularies to specify the prescription drugs covered under the plan shall do all of the following:

* * *

(4)(a) If a prescribed drug is denied based upon the drug's nonformulary status, provide the prescriber with a list of the alternative comparable formulary medications in writing and attached to the letter of denial of prescription drug coverage.

(b) It shall be deemed sufficient to meet the requirements of this Paragraph if a health benefit plan includes the information required by this Paragraph in the denial letter sent by the health benefit plan or its agent.

(c) Simple notification of the availability and location of the formulary shall not be deemed sufficient to meet the requirements of this Paragraph.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 119 Reengrossed 2019 Regular Session Bishop

Abstract: Requires an insurer to provide a prescriber with a list of alternative comparable formulary medications upon denial of a prescription based upon step therapy or fail first protocols or nonformulary status.

Present law requires, notwithstanding the provisions of present law to the contrary, any health coverage plan which includes prescription benefits as part of its policy or contract, which utilizes step therapy or fail first protocols, and which is issued for delivery, delivered, renewed, or otherwise contracted for in this state on or after Jan. 1, 2011, to comply with the provisions of present law.

Proposed law retains present law but makes technical changes including the removal of a reference to a repealed statute.

Proposed law further requires, if a prescribed drug is denied by a health coverage plan based upon step therapy or fail first protocols, the health coverage plan to provide the prescriber with a list of the alternative comparable formulary medications in writing and attached to the letter of denial of prescription drug coverage.

Present law sets forth required actions by the issuer of a health benefit plan that covers prescription drugs and uses one or more drug formularies to specify the prescription drugs covered under the plan.

Proposed law retains present law and adds the requirement that, if a prescribed drug is denied based upon the drug's nonformulary status, the issuer shall provide the prescriber with a list of the alternative comparable formulary medications in writing and attached to the letter of denial of prescription drug coverage.

It is sufficient to meet the requirements of proposed law if the issuer of the health coverage plan or health benefit plan includes the required information in the denial letter sent by the health coverage plan or its agent.

Simple notification of the availability and location of the formulary shall not be deemed sufficient to meet the requirements of proposed law.

(Amends R.S. 22:1053(A) and (D) and 1060.2(intro. para.); Adds R.S. 22:1053(E) and 1060.2(4))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Change the requirement to provide a list of alternative disease-specific medications to a requirement to provide alternative comparable medications.

2. Authorize an insurer to provide the list of medications in the denial letter sent by the health coverage plan or its agent.

3. Make technical changes.

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The House Floor Amendments to the engrossed bill:

1. Make technical corrections to change the phrase "health coverage plan" to the statutorily defined phrase "health benefit plan".

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