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## SENATE BILL NO. 947

Offered January 9, 2013

Prefiled January 7, 2013

A *BILL to amend and reenact § 38.2-4509, as it is currently effective and as it shall become effective, of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 38.2-3407.14:1, relating to accident and sickness insurance; modification of prescription drug coverage.*

Patrons—Puller; Delegate: Hodges

Referred to Committee on Commerce and Labor

**Be it enacted by the General Assembly of Virginia:**

**1. That § 38.2-4509, as it is currently effective and as it shall become effective, of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding a section numbered 38.2-3407.14:1 as follows:**

**§ 38.2-3407.14:1. Modifications of prescription drug coverage.**

A. No (i) insurer issuing individual or group accident and sickness insurance policies providing hospital, medical and surgical, or major medical coverage on an expense-incurred basis, (ii) corporation providing individual or group accident and sickness subscription contracts, or (iii) health maintenance organization providing a health care plan for health care services whose policy, contract, or plan, including any certificate or evidence of coverage issued in connection with such policy, contract, or plan, includes coverage for prescription drugs and whose prescription drug benefits utilize a formulary may modify coverage for prescription drugs unless each of the following conditions is met:

1. The modification occurs at the time of coverage renewal;

2. The modification is effective on a uniform basis among all group policyholders, contract holders, or subscribers of identical or substantially identical group policies, contracts, or plans or all individuals covered by identical or substantially identical individual policies, contracts, or plans, as applicable; and

3. The insurer, corporation, or health maintenance organization notifies, on a form approved by the Commissioner, each affected insured, subscriber, or member of the modification of coverage for prescription drugs not later than 60 days before the date the modification is effective.

B. Subsection A shall apply only to a modification of coverage for prescription drugs that:

1. Removes a drug from a formulary;

2. Adds a requirement that a covered person receive prior authorization for a drug;

3. Imposes or alters a quantity limit for a drug;

4. Imposes a step-therapy restriction for a drug; or

5. Moves a drug to a higher cost-sharing tier.

C. An insurer, corporation, or health maintenance organization may elect to offer to any person entitled to notice pursuant to subdivision A 3 the option of receiving such notice by e-mail.

**§ 38.2-4509. (Effective until July 1, 2014) Application of certain laws.**

A. No provision of this title except this chapter and, insofar as they are not inconsistent with this chapter, §§ 38.2-200, 38.2-203, 38.2-209 through 38.2-213, 38.2-218 through 38.2-225, 38.2-229, 38.2-316, 38.2-400, 38.2-402 through 38.2-413, 38.2-500 through 38.2-515, 38.2-600 through 38.2-620, 38.2-900 through 38.2-904, 38.2-1038, 38.2-1040 through 38.2-1044, Articles 1 (§ 38.2-1300 et seq.) and 2 (§ 38.2-1306.2 et seq.) of Chapter 13, §§ 38.2-1312, 38.2-1314, 38.2-1315.1, Article 4 (§ 38.2-1317 et seq.) of Chapter 13, §§ 38.2-1400 through 38.2-1444, 38.2-1800 through 38.2-1836, 38.2-3401, 38.2-3404, 38.2-3405, 38.2-3407.10, 38.2-3407.13, 38.2-3407.14, 38.2-3407.14:1, 38.2-3407.15, 38.2-3407.17, 38.2-3415, 38.2-3541, Article 5 (§ 38.2-3551 et seq.) of Chapter 35, §§ 38.2-3600 through 38.2-3603, Chapter 55 (§ 38.2-5500 et seq.), and Chapter 58 (§ 38.2-5800 et seq.) of this title shall apply to the operation of a plan.

B. The provisions of subsection A of § 38.2-322 shall apply to an optometric services plan. The provisions of subsection C of § 38.2-322 shall apply to a dental services plan.

C. The provisions of Article 1.2 (§ 32.1-137.7 et seq.) of Chapter 5 of Title 32.1 shall not apply to either an optometric or dental services plan.

**§ 38.2-4509. (Effective July 1, 2014) Application of certain laws.**

A. No provision of this title except this chapter and, insofar as they are not inconsistent with this chapter, §§ 38.2-200, 38.2-203, 38.2-209 through 38.2-213, 38.2-218 through 38.2-225, 38.2-229, 38.2-316, 38.2-400, 38.2-402 through 38.2-413, 38.2-500 through 38.2-515, 38.2-600 through 38.2-620, 38.2-900 through 38.2-904, 38.2-1038, 38.2-1040 through 38.2-1044, Articles 1 (§ 38.2-1300 et seq.)

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59 and 2 (§ 38.2-1306.2 et seq.) of Chapter 13, §§ 38.2-1312, 38.2-1314, 38.2-1315.1, Article 4  
60 (§ 38.2-1317 et seq.) of Chapter 13, §§ 38.2-1400 through 38.2-1444, 38.2-1800 through 38.2-1836,  
61 38.2-3401, 38.2-3404, 38.2-3405, 38.2-3407.10, 38.2-3407.13, 38.2-3407.14, 38.2-3407.14.1,  
62 38.2-3407.15, 38.2-3407.17, 38.2-3415, 38.2-3541, Article 5 (§ 38.2-3551 et seq.) of Chapter 35,  
63 §§ 38.2-3600 through 38.2-3603, Chapter 55 (§ 38.2-5500 et seq.), Chapter 58 (§ 38.2-5800 et seq.) and  
64 § 38.2-5903 of this title shall apply to the operation of a plan.

65 B. The provisions of subsection A of § 38.2-322 shall apply to an optometric services plan. The  
66 provisions of subsection C of § 38.2-322 shall apply to a dental services plan.

67 C. The provisions of Article 1.2 (§ 32.1-137.7 et seq.) of Chapter 5 of Title 32.1 shall not apply to  
68 either an optometric or dental services plan.