

****REVISION #2****
State Corporation Commission
2016 Fiscal Impact Statement

1. Bill Number: SB383

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Vogel

3. Committee: Commerce and Labor

4. Title: Health insurance; parity of coverage for oral chemotherapy medications.

5. Summary: Health insurance; parity of coverage for oral chemotherapy medications. Requires health insurers, health care subscription plans, and health maintenance organizations, whose policies provide coverage for cancer chemotherapy treatment, to provide coverage for a prescribed, orally administered anticancer medication on a basis no less favorable than that on which it provides coverage for intravenously administered or injected anticancer medications. Such a policy, contract, or plan shall not require a higher copayment, deductible, or coinsurance amount for a prescribed, orally administered anticancer medication than what it requires for an intravenously administered or injected anticancer medication that is provided, regardless of formulation or benefit category determination by the insurer, corporation, or health maintenance organization. The measure applies to the state employees' health insurance plan and to the local choice health program. The measure replaces a provision enacted in 2012 that requires health insurers, health care subscription plans, and health maintenance organizations whose policies, contracts, or plans include coverage for intravenously administered, injected, and orally administered anticancer drugs to consistently apply the criteria for establishing cost sharing applicable to orally administered cancer chemotherapy drugs and cancer chemotherapy drugs that are administered intravenously or by injection.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: No Fiscal Impact on the State Corporation Commission. For the Department of Human Resource Management (DHRM), the fiscal impact estimate is unknown. See Line 8.

8. Fiscal implications: No fiscal implications on the State Corporation Commission. However, according to the Department of Human Resource Management, "COVA's third party administrator has revised its fiscal impact analysis of Senate Bill 383. Based on the copayment structure of the COVA outpatient prescription drug plan (\$55 maximum copayment for the highest cost tier {specialty drugs for a one-month supply}), there are currently no orally-administered cancer medications that would exceed the cost of the IV (intravenous) or injectable anticancer medications since those require a 20% coinsurance payment from the plan participant. As a result, DHRM believes that there would be no compliance issues or meaningful fiscal impact with the enactment of Senate Bill 383 unless there was a significant marketplace shift in either the oral or IV/injectable medication pricing to create a fiscal impact, an occurrence for which a fiscal impact cannot be estimated.

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance; Department of Human Resource Management

10. Technical amendment necessary: The State Corporation Commission Bureau of Insurance advised the patron of Senate Bill 383 that the second enactment clause in the bill requires compliance for policies, contracts and plans delivered, issued for delivery, reissued, or extended as of July 1, 2016. The requirements of the bill may require carriers to re-file policy forms and revise plan data that the federal Centers for Medicare and Medicaid Services (CMS) has certified for use on the federally-facilitated SHOP marketplace (for small businesses) for 2016. It may not be possible for issuers of qualified health plans operating on and off the SHOP marketplace in Virginia to make the revisions contemplated by Senate Bill 383 in the middle of the calendar year. With respect to this enactment clause, therefore, the Bureau suggested a technical amendment in order to preserve the July 1, 2016 effective date for the state employee health benefit plan, but change the effective date to the beginning of the calendar year for other plans as follows:

2. That the provisions of this act shall apply to coverage specified in Subsection E offered on and after July 1, 2016. The provisions of this act shall apply to all other applicable insurance policies, contracts, and plans delivered, issued for delivery, reissued, or extended on and after ~~July 1, 2016~~ January 1, 2017, or at any time thereafter when any term of the policy, contract, or plan is changed or any premium adjustment is made.

11. Other comments: None

Date: 02/05/16/V. Tompkins

cc: Secretary of Health and Human Resources