

State Corporation Commission

2019 Fiscal Impact Statement

1. Bill Number: HB2126

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Davis

3. Committee: Commerce and Labor

4. Title: Health insurance; step therapy protocols.

5. Summary: Requires carriers issuing health benefit plans to utilize certain clinical review criteria to establish step therapy protocols. The measure establishes clinical review criteria used to establish such protocols and requires carriers to establish a process by which a patient or provider may seek a step therapy override exception determination. The provisions of the measure shall apply to any health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2020.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: No Fiscal Impact on the State Corporation Commission. According to the Department of Human Resource Management, fiscal impact estimates are unavailable. See Item 8.

8. Fiscal Implications: None on the State Corporation Commission. According to the Department of Human Resource Management (DHRM), the state employee health plan saved approximately \$7.2 million in Fiscal Year 2018 due to step therapy. DHRM cannot estimate with certainty how many members or prescribers would utilize the opportunity to bypass a step therapy protocol if House Bill 2126 was enacted; if 1% of every step therapy case had bypassed the protocol, however, it would have resulted in a fiscal impact of \$72,000.

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

10. Technical amendment necessary: No

11. Other comments: None

Date: 01/23/19/V. Tompkins