

State Corporation Commission

2014 Fiscal Impact Statement

1. Bill Number: HB308

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

2. Patron: Dance

3. Committee: Commerce and Labor

4. Title: Health insurance; prescription drugs; formularies.

5. Summary: Health insurance; prescription drugs; formularies. Requires any health insurer, corporation providing individual or group accident and sickness subscription contracts, or health maintenance organization that applies a formulary to prescription drug benefits provided under its policy, contract, or plan to provide 60 days' prior written notice to each insured, subscriber, enrollee, participant, beneficiary, or other individual covered under the policy, contract, or plan of a modification to the formulary that results in the movement of a prescription drug to a tier with higher cost-sharing requirements.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: No Fiscal Impact on the State Corporation Commission

8. Fiscal implications: None on the State Corporation Commission

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: Insurers who use prescription drug formularies revise their formularies at various times throughout the year. Formulary changes may cause a drug to fall into a different formulary tier (the cost of the drug may increase or decrease) or the drug may be removed from the formulary and not be covered at all. If a formulary is used, House Bill 308 would allow the covered person to have 60 days' advance notice of a drug tier change which would cause an increased cost share to the person.

House Bill 308 is identical to Senate Bill 201. House Bill 308 is currently assigned to House Commerce & Labor Subcommittee #1.

Date: 01/20/14/V. Tompkins

cc: Secretary of Health and Human Resources