

State Corporation Commission

2014 Fiscal Impact Statement

1. Bill Number: SB201

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

2. Patron: Puller

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' written notice before making a modification to a drug formulary that moves 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, Senate Bill 201 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.

Senate Bill 201 is identical to House Bill 308.

Date: 01/20/14/V. Tompkins
cc: Secretary of Health and Human Resources