

State Corporation Commission

2016 Fiscal Impact Statement

1. Bill Number: SB331

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

2. Patron: DeSteph

3. Committee: Commerce and Labor

4. Title: Step therapy; psychiatric medicines.

5. Summary: Step therapy; psychiatric medicines. Prohibits a health insurer or other carrier from using step therapy in a manner that results in a denial of or delay in coverage for any psychiatric medication under a health insurance policy or plan. The measure applies only to health insurance policies or plans that provide coverage for prescription drugs on an outpatient basis. If the health benefit plan utilizes a closed drug formulary, the prohibition applies only to psychiatric medications on the formulary.

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: The State Corporation Commission Bureau of Insurance offered the following technical comments to the patron of Senate Bill 331:

- We suggest that consideration be given to creating a new § 38.2-3407.9:04 of the Code. The sections immediately preceding the suggested section are §§ 38.2-3407.9:01 (referenced in this bill), 38.2-3407.9:02 and 38.2-3407.9:03, which relate to prescription drug formularies, prescription drug coverage requirements, and payments to pharmacy benefit administrators, respectively.
- We recommend that the term “serious” in the definition of “psychiatric medication” on line 24 be defined further, replaced, or removed.
- In line 26, the term “psychiatric medications” is used in the phrase “...the effects of psychiatric medications...” when defining the term “psychiatric medication.” The defined term within the definition should be replaced with another term. We suggest the following revision of the “psychiatric medication” definition:

“Psychiatric medication” means any drug or medication used (i) in the treatment of a ~~serious~~ mental disorder, mental disease, or mental defect; ~~or used (ii)~~ to treat side effects caused by ~~these~~ medications described in (i); or (iii) any medications used to augment or temper the effects of ~~psychiatric~~ medications described in (i)...

- If the list of drugs on line 27 is not an all-inclusive list of psychiatric medications, we suggest the following revision: “...includes but is not limited to antipsychotics...”

11. Other comments: Senate Bill 332 and House Bill 362 are similar to Senate Bill 331, but these bills are not limited to step therapy protocols for psychiatric medications.

Date: 01/27/16/V. Tompkins

cc: Secretary of Health and Human Resources