



Specialty Tier Reform Update – Week of May 25, 2015

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STATES

California

Full Assembly to vote on measure limiting out-of-pocket costs for prescription drugs

The Assembly Appropriations Committee approved a measure this week that would limit out-of-pocket costs for prescription drugs to 1/24 of the annual out-of-pocket (OOP) limit applicable to individual coverage for a supply of up to 30 days.

As with the Health Committee (see Specialty Tier Reform Update for Week of May 4th), A.B. 339 passed with only five dissenting votes. It was amended to clarify that the cost-sharing limits apply only to covered outpatient prescription drugs that constitute essential health benefits under the Affordable Care Act. However, a provision barring plans from placing most or all of the drugs to treat a specific condition on the highest cost tiers of a formulary was retained (see Specialty Tier Reform Update for Week of February 16th).

A.B. 339 now heads to the Assembly floor, where it must be acted upon by June 5th.

Pennsylvania

New bill would limit cost-sharing for specialty tier drugs

Senator Bob Mensch (R) has introduced legislation that would limit cost-sharing charges for a specialty tier prescription drug to not more than \$100 per month for a 30-day supply. S.B. 841 would also limit the aggregate cost for all specialty tier drugs to no more than \$200 per month. It was referred this week to the Senate Banking and Insurance Committee.

A separate provision of the bill bars health plans from placing all prescription drugs of the same class in a specialty tier. Comparable prohibitions have been proposed in several states including California (see above) after such a practice was determined to be discriminatory by the insurance commissioners in Florida and Illinois, as well as the federal Centers for Medicare and Medicaid Services (see Specialty Tier Reform Update for Week of February 23rd). However, they have been removed from the final bill versions in states like Connecticut, Louisiana, and Oregon (see Specialty Tier Reform Update for Week of March 9th).