



SPONSOR: Sen. Henry & Reps. Q. Johnson, Keeley
Sens. Blevins, Sokola & Venables

DELAWARE STATE SENATE
147th GENERAL ASSEMBLY

SENATE BILL NO. 35

AN ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO SPECIALTY TIER PRESCRIPTION
DRUG COVERAGE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

WHEREAS, as prescription drugs costs increase, the practice of insurers creating a cost-sharing mechanism
known as specialty-tiers has increased putting an increasing financial burden on patients; and

WHEREAS, the Delaware Health Care Commission completed a study of the effect of specialty-tiers in Delaware
summarizing the issue of specialty tier pricing, the impact on patient access and care when specialty-tier pricing is used;
and

WHEREAS, the increased co-pay costs associated with specialty tiers drugs presents a significant burden to
Delawareans facing serious health conditions such as: hemophilia, human immunodeficiency virus (HIV), hepatitis,
multiple sclerosis, lupus, some cancers, rheumatoid arthritis, and others; and

WHEREAS, the financial burden on insured of specialty tiers unfairly denies access to prescription drugs based on
individual health conditions and provides a severe financial strain on seriously ill Delawareans and their families.

NOW THEREFORE:

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF DELAWARE:

Section 1. Amend Chapter 33 and 35 Title 18 of the Delaware Code by making insertions as shown by underline
and deletions as shown by strike through as follows:

§ 3364. Specialty Tier Prescription ~~Study~~ Coverage.

~~The Delaware Healthcare Commission shall conduct a study for specialty tier prescription drugs to determine the
impact on access and patient care. The Delaware Healthcare Commission shall submit a report to the General Assembl
summarizing this impact by March 15, 2012.~~

(a) Unless otherwise specifically provided, the definitions in this section apply throughout this act.

“Coinsurance” means a cost-sharing amount set as a percentage of the total cost of the drug.

“Commissioner” means the Insurance Commissioner of this State.

“Copayment” means a cost-sharing amount set as a dollar value.

23 “Non-preferred drug” means a tier designed for certain drugs deemed non-preferred and therefore subject to
24 higher cost-sharing amounts than preferred drugs.

25 “Preferred drug” means a tier designed for certain drugs deemed preferred and therefore subject to lower cost-
26 sharing amounts than non-preferred drugs.

27 “Specialty tier” means a tier of cost sharing designed for select specialty drugs that imposes cost-sharing
28 obligations that exceed that amount for non-preferred brand drugs or their equivalent (for brand drugs if there is no non-
29 preferred brand drug category) and such a cost sharing amount is based on a coinsurance.

30 “Tiered formulary” means a formulary that provides coverage for prescription drugs as part of a health plan for
31 which cost sharing, deductibles or coinsurance obligations are determined by category or tier of prescription drugs, that
32 includes at least two different tiers.

33 (b) A health plan that provides coverage for prescription drugs shall ensure that:

34 (1) any required copayment or coinsurance applicable to drugs on a specialty tier does not exceed \$100 per month
35 for up to a 30-day supply of any single drug; and

36 (2) required copayment or coinsurance for drugs on a specialty tier does not exceed, in the aggregate for those
37 specialty tier covered drugs, \$200 per month per enrollee.

38 (c) A health plan that provides coverage for prescription drugs and utilizes a tiered formulary as defined in
39 §3344(a) shall implement an exceptions process that allows enrollees to request an exception to the tiered cost-sharing
40 structure. Under such an exception, a non-preferred drug could be covered under the cost sharing applicable for preferred
41 drugs if the prescribing physician determines that the preferred drug for treatment of the same condition either would not be
42 as effective for the individual, or would have adverse effects for the individual, or both. In the event an enrollee is denied a
43 cost-sharing exception, such denial shall be considered an adverse event and will be subject to the health plan internal
44 review process set forth in 18 Del. C. § 332 and the state external review process set forth in 18 Del. C. § 6416.

45 (d) A health plan that provides coverage for prescription drugs shall be prohibited from placing all drugs in a
46 given class on a specialty tier.

47 (e) The Commissioner shall promulgate regulations outlining the enforcement processes for this act.

48 (f) Nothing in this section shall be construed to require a health plan to:

49 (1) provide coverage for any additional drugs not otherwise required by law;

50 (2) implement specific utilization management techniques, such as prior authorization or step therapy; or

51 (3) cease utilization of tiered cost-sharing structures, including those strategies used to incent use of preventive
52 services, disease management, and low-cost treatment options.

53 (g) Nothing in this section shall be construed to require a pharmacist to substitute a drug without the consent of the
54 prescribing physician.

55 Section 2. This act shall take effect and be in force from and after January 1, 2014. The provisions above shall
56 apply to a health plan contract issued, amended, or renewed on or after January 1, 2014.

SYNOPSIS

This Bill imposes dollar limits on the prescription drug insurance practice of cost-sharing known as specialty tiers in order to protect patients from unaffordable co-insurance or co-payment fees. Patient's co-insurance or co-payment fees for specialty tier drugs will be limited to \$100 per month for up to a 30-day supply of any single specialty tier drug; and will not exceed, in the aggregate for all specialty tier covered drugs, \$200 per month per enrollee. The bill goes into effect on January 1, 2014.

Author: Senator Henry