



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 201

PRINTERS NO. 2384

PRIME SPONSOR: Rafferty

COST / (SAVINGS)

FUND	FY 2012/13	FY 2013/14
General Fund	\$0	\$0

SUMMARY: Senate Bill 201 amends the Insurance Company Law of 1921 concerning coverage of prescriptions. It would apply to all health insurance policies and government plans issued or renewed on or after its effective date. It would take effect in 120 days.

ANALYSIS: This legislation adds a new section concerning coverage of prescriptions to the Insurance Company Law of 1921. It prohibits a health insurance policy or government program providing benefits for prescriptions from imposing on a covered individual using a retail, "bricks and mortar" pharmacy any copayment, deductible, fee, benefit limitation, or other condition or requirement not imposed on that individual when using a mail order pharmacy. However, this prohibition only applies if the retail pharmacy is willing to accept from the insurer the same pricing, terms, conditions, or requirements related to the cost of the prescriptions and the cost and quality of dispensing prescriptions that the insurer has established for a mail order pharmacy.

In addition, beginning 18 months after the effective date of the legislation, the Legislative Budget and Finance Committee (LBFC) must conduct an evaluation of the impact of this legislation regarding the access to prescription drugs at both independent and chain retail pharmacies and whether these new provisions have had a positive or negative impact upon the cost of prescription medications to consumer and health care plans. The LBFC must issue a report detailing the study's findings and recommendations to the General Assembly within nine months of the commencement of the study.

For purposes of this legislation, "Government program" means the Commonwealth's medical assistance program, the Children's Health Care Program, and the Pharmaceutical Assistance Contract for the Elderly (PACE/PACENet Program).

FISCAL IMPACT: Enactment of this legislation will have no adverse impact on Commonwealth funds.

PREPARED BY: Jeff Miller
House Appropriations Committee (R)

DATE: October 17, 2012

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.