## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## **HOUSE BILL**

## No. 1800 Session of 2018

INTRODUCED BY NELSON, PICKETT, LONGIETTI, WARREN, V. BROWN, DRISCOLL, MARSHALL, DIAMOND, BIZZARRO, BAKER, HENNESSEY, MASSER, BOBACK, SAYLOR, KAUFFMAN, MARSICO, PHILLIPS-HILL, CORBIN, NESBIT, ZIMMERMAN, WARD, WATSON, MILNE, FARRY, FRITZ, WALSH, ROE, DUNBAR, EVANKOVICH, MURT, BERNSTINE, CHARLTON, COMITTA, REESE, DALEY, KAUFER, GROVE, B. MILLER, DIGIROLAMO, ROTHMAN, COOK, DELOZIER, GABLER AND KLUNK, APRIL 2, 2018

REFERRED TO COMMITTEE ON INSURANCE, APRIL 2, 2018

## AN ACT

- 1 Amending Title 40 (Insurance) of the Pennsylvania Consolidated Statutes, in regulation of insurers and related persons
- generally, providing for medication synchronization.
- 4 The General Assembly of the Commonwealth of Pennsylvania
- 5 hereby enacts as follows:
- 6 Section 1. Part II of Title 40 of the Pennsylvania
- 7 Consolidated Statutes is amended by adding a chapter to read:
- 8 <u>CHAPTER 39</u>
- 9 MEDICATION SYNCHRONIZATION
- 10 <u>Sec.</u>
- 11 3901. Definitions.
- 12 <u>3902</u>. Prorated daily cost-sharing rate.
- 13 <u>3903</u>. <u>Denial of coverage</u>.
- 14 3904. Certain payment structures prohibited.
- 15 3905. Application of chapter.
- 16 § 3901. Definitions.

- 1 The following words and phrases when used in this chapter
- 2 shall have the meanings given to them in this section unless the
- 3 <u>context clearly indicates otherwise:</u>
- 4 <u>"Health insurance plan." A policy, subscriber contract,</u>
- 5 certificate or plan issued by an insurer that provides medical
- 6 or health care coverage. The term does not include any of the
- 7 <u>following:</u>
- 8 <u>(1) An accident only policy.</u>
- 9 (2) A credit only policy.
- 10 (3) A long-term care or disability income policy.
- 11 <u>(4) A specified disease policy.</u>
- 12 <u>(5) A Medicare supplement policy.</u>
- 13 (6) A TRICARE policy, including a Civilian Health and
- 14 <u>Medical Program of the Uniformed Services (CHAMPUS)</u>
- 15 <u>supplement policy.</u>
- 16 <u>(7) A fixed indemnity policy.</u>
- 17 (8) A dental only policy.
- 18 (9) A vision only policy.
- 19 (10) A workers' compensation policy.
- 20 (11) An automobile medical payment policy.
- 21 (12) Another similar policy providing for limited
- 22 benefits.
- 23 "Insurer." An entity licensed by the department with
- 24 accident and health authority to issue a policy, subscriber
- 25 contract, certificate or plan that provides medical or health
- 26 care coverage that is offered or governed under any of the
- 27 following:
- 28 (1) The act of May 17, 1921 (P.L.682, No.284), known as
- 29 The Insurance Company Law of 1921, including section 630 and
- 30 Article XXIV of that act.

- 1 (2) The act of December 29, 1972 (P.L.1701, No.364),
- 2 known as the Health Maintenance Organization Act.
- 3 (3) Chapter 61 (relating to hospital plan corporations)
- 4 <u>or 63 (relating to professional health services plan</u>
- 5 <u>corporations</u>).
- 6 "Maintenance medication." A medication prescribed for a
- 7 chronic, long-term condition and taken on a regular, recurring
- 8 basis.
- 9 <u>"Medication synchronization."</u> The coordination of
- 10 prescription drug filling or refilling by a pharmacy or
- 11 dispensing physician for a program participant taking two or
- 12 more maintenance medications for the purpose of improving
- 13 <u>medication adherence</u>.
- 14 "Pharmacy." Every place properly issued a permit by the
- 15 State Board of Pharmacy where drugs, devices and diagnostic
- 16 agents for human or animal consumption are stored, dispensed or
- 17 compounded, excluding offices or facilities of veterinarians
- 18 licensed by the State Board of Veterinary Medical Examiners. The
- 19 following shall apply:
- 20 (1) The term shall not include the operations of a
- 21 manufacturer or distributor as defined in the act of April
- 22 14, 1972 (P.L.233, No.64), known as The Controlled Substance,
- 23 Drug, Device and Cosmetic Act.
- 24 (2) In an institution, the term shall refer to the
- 25 organized pharmacy service in the institution under the
- 26 <u>direct supervision of a licensed pharmacist.</u>
- 27 § 3902. Prorated daily cost-sharing rate.
- A health insurance plan shall permit and apply a prorated
- 29 daily cost-sharing rate to prescription drugs that are dispensed
- 30 by a pharmacy as a partial supply if the pharmacist or

- 1 prescriber determines the fill or refill to be in the best
- 2 <u>interest of the patient and the patient requests or agrees to a</u>
- 3 partial supply for the purpose of medication synchronization.
- 4 The fill or refill under this section shall be limited to three
- 5 times per year for each maintenance medication for a covered
- 6 <u>individual</u>. For each clinically necessary synchronization
- 7 thereafter, approval may be required at the discretion of the
- 8 <u>health insurance plan.</u>
- 9 § 3903. Denial of coverage.
- 10 (a) Partial supply. -- No individual or group health insurance
- 11 plan providing prescription drug coverage shall deny coverage
- 12 for the dispensing of a medication that is dispensed by a
- 13 <u>network pharmacy on the basis that the dispensing is for a</u>
- 14 partial supply if the prescriber or pharmacist determines the
- 15 fill or refill to be in the best interest of the patient and the
- 16 patient requests or agrees to a partial supply for the purpose
- 17 of medication synchronization.
- 18 (b) Denial codes. -- The individual or group health insurance
- 19 plan shall accept early refill and short fill requests for
- 20 medications dispensed for the purpose of medication
- 21 synchronization using the submission clarification and message
- 22 codes as adopted by the National Council for Prescription Drug
- 23 Programs or alternative codes provided by the individual or
- 24 group health insurance plan.
- 25 (c) Compliance. -- Nothing in this chapter shall prohibit the
- 26 individual or group health insurance plan from using other
- 27 methods to comply with this chapter.
- 28 § 3904. Certain payment structures prohibited.
- 29 <u>(a) Prorated dispensing fees.--No individual or group health</u>
- 30 insurance plan providing prescription drug coverage shall use

- 1 payment structures incorporating prorated dispensing fees.
- 2 (b) Full payment. -- Dispensing fees for partially filled or
- 3 refilled prescriptions shall be paid in full for each
- 4 <u>maintenance medication dispensed</u>, regardless of any prorated
- 5 copay for the beneficiary or fee paid for alignment services.
- 6 § 3905. Application of chapter.
- 7 This chapter does not apply to prescription drugs that are:
- 8 (1) in-unit of use packaging for which medication
- 9 synchronization is not possible; or
- 10 (2) controlled substances classified in Schedule II
- 11 under section 4(2) of the act of April 14, 1972 (P.L.233,
- No.64), known as The Controlled Substance, Drug, Device and
- 13 Cosmetic Act.
- 14 Section 2. This act shall take effect in 365 days.