

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 828 Session of 2019

INTRODUCED BY LEACH, FONTANA, SCHWANK AND STREET,
AUGUST 15, 2019

REFERRED TO BANKING AND INSURANCE, AUGUST 15, 2019

AN ACT

1 Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An
2 act relating to insurance; amending, revising, and
3 consolidating the law providing for the incorporation of
4 insurance companies, and the regulation, supervision, and
5 protection of home and foreign insurance companies, Lloyds
6 associations, reciprocal and inter-insurance exchanges, and
7 fire insurance rating bureaus, and the regulation and
8 supervision of insurance carried by such companies,
9 associations, and exchanges, including insurance carried by
10 the State Workmen's Insurance Fund; providing penalties; and
11 repealing existing laws," in casualty insurance, providing
12 for cap on payments for prescription insulin drugs.

13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. The act of May 17, 1921 (P.L.682, No.284), known
16 as The Insurance Company Law of 1921, is amended by adding a
17 section to read:

18 Section 634.1. Cap on Payments for Prescription Insulin
19 Drugs.--(a) An insurance company that provides coverage for
20 prescription insulin drugs under a health insurance policy shall
21 cap the total amount that a covered person is required to pay
22 for covered prescription insulin drugs at an amount not to
23 exceed one hundred dollars (\$100) per thirty-day supply of the

1 covered prescription insulin drugs. The default cap shall apply
2 regardless of the amount or type of insulin needed to fill the
3 covered person's prescription.

4 (b) No later than one year after the effective date of this
5 section and each year thereafter, the Insurance Commissioner
6 shall adjust the default cap based on the annual cost-of-living
7 adjustment calculated by applying the percentage change in the
8 Consumer Price Index for All Urban Consumers (CPI-U) for the
9 Pennsylvania, New Jersey, Delaware and Maryland area for the
10 most recent twelve-month period for which figures have been
11 officially reported by the United States Department of Labor,
12 Bureau of Labor Statistics. The Insurance Commissioner shall
13 transmit notice of an adjustment under this subsection to the
14 Legislative Reference Bureau for publication in the Pennsylvania
15 Bulletin. An adjustment under this subsection shall take effect
16 ninety days after the notice of the adjustment is published in
17 the Pennsylvania Bulletin.

18 (c) No later than one year after the effective date of this
19 section and each year thereafter, the Insurance Commissioner, in
20 conjunction with the Secretary of Health, may establish a
21 consensus cap on the total amount that a covered person is
22 required to pay for covered prescription insulin drugs. A
23 consensus cap must be at least ninety per centum (90%) and no
24 more than one hundred ten per centum (110%) of the effective
25 cap. Upon establishing a consensus cap, renewing or failing to
26 renew a consensus cap, the Insurance Commissioner shall transmit
27 notice of the effective cap to the Legislative Reference Bureau
28 for publication in the Pennsylvania Bulletin. If the Insurance
29 Commissioner, in conjunction with the Secretary of Health, fails
30 to renew a consensus cap, the consensus cap shall expire and the

1 default cap shall take effect.

2 (d) Nothing in this section shall be construed to prevent an
3 insurance company from reducing a covered person's cost sharing
4 by an amount greater than the amount specified by the default
5 cap or the consensus cap.

6 (e) As used in this section, the following words and phrases
7 shall have the meanings given to them in this subsection unless
8 the context clearly indicates otherwise:

9 "Consensus cap." The cap on the total amount that a covered
10 person is required to pay for covered prescription insulin drugs
11 established under subsection (c).

12 "Cost sharing." The cost to an individual insured under a
13 health insurance policy according to any coverage limit,
14 copayment, coinsurance, deductible or other out-of-pocket
15 expense requirements imposed by the policy, contract or
16 agreement.

17 "Default cap." The cap on the total amount that a covered
18 person is required to pay for covered prescription insulin drugs
19 under subsection (a) or the adjusted cap under subsection (b).

20 "Effective cap." The default cap or the consensus cap on the
21 total amount that a covered person is required to pay for
22 covered prescription insulin drugs in effect under a health
23 insurance policy.

24 "Health insurance policy." Any individual or group health,
25 sickness or accident policy, or subscriber contract or
26 certificate offered, issued or renewed by an entity subject to
27 one of the following:

28 (1) This act.

29 (2) The act of December 29, 1972 (P.L.1701, No.364), known
30 as the "Health Maintenance Organization Act."

1 (3) 40 Pa.C.S. Ch. 61 (relating to hospital plan
2 corporations) or 63 (relating to professional health services
3 plan corporations).

4 The term does not include accident only, fixed indemnity,
5 limited benefit, credit, dental, vision, specified disease,
6 Medicare supplement, Civilian Health and Medical Program of the
7 Uniformed Services (CHAMPUS) supplement, long-term care or
8 disability income, workers' compensation or automobile medical
9 payment insurance.

10 "Prescription insulin drug." A prescription as defined in 28
11 Pa. Code § 25.51 (relating to definition of "prescription") that
12 contains insulin and is used to treat diabetes.

13 Section 2. This act shall take effect in 60 days.