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MEMORANDUM

To: Chairman Schwab and members of the House Committee on Insurance

From: David Wiese, Assistant Revisor

Date: 2/18/2015

Subject: HB 2176; Prescription drug fills and refills

House Bill No. 2176 requires individual and group health insurance policies which provide prescription drug coverage in the state to permit and apply a prorated daily cost-sharing rate to prescriptions that are dispensed by a network pharmacy for less than a 30 days' supply if the pharmacist determines the fill or refill to be in the patient's best interest and the patient agrees to less than a 30 days' supply for the purpose of synchronizing the patient's medications.

No individual or group health policy providing prescription drug coverage shall deny coverage for the dispensing of chronic medication that is made with a plan for the purpose of synchronizing the filling or refilling of multiple prescriptions for the insured. The health plan must allow a pharmacy to override any denial codes indicating that a prescription is being refilled too soon for the purposes of medication synchronization.

Payment structures incorporating prorated dispensing fees are not allowed under the bill. Dispensing fees for partially filled or refilled prescriptions shall be paid in full for each prescription dispensed, regardless of any prorated copay for the beneficiary or fee paid for alignment services.

Any provision in an accident and health insurance policy which violates the provisions of section 1 of the bill is void. An exception is made for policies, plans, contracts or agreements operating pursuant to ERISA. The department of insurance has the responsibility to enforce the provisions of section 1.

The new mandate in section 1 would not be subject to the test track statute, K.S.A. 40-2249a, where new mandated health benefits are first applied only to the state health care benefits program for a one-year period.

The bill also adds section 1 to the statutory lists of insurance mandates in K.S.A 40-2,103 and 40-19c09.

The bill is effective upon publication in the statute book.