

House Study Bill 501 - Introduced

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
HUMAN RESOURCES BILL BY
CHAIRPERSON LUNDGREN)

A BILL FOR

1 An Act relating to insurance coverage for prescription insulin
2 drugs.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 514C.18A Prescription insulin drugs
2 — coverage.

3 1. As used in this section, unless the context otherwise
4 requires:

5 a. "*Cost-sharing*" means any coverage limit, copayment,
6 coinsurance, deductible, or other out-of-pocket expense
7 obligation imposed on a covered person by a policy, contract,
8 or plan providing for third-party payment or prepayment of
9 health or medical expenses.

10 b. "*Covered person*" means a policyholder, subscriber, or
11 other person participating in a policy, contract, or plan that
12 provides for third-party payment or prepayment of health or
13 medical expenses.

14 c. "*Health care professional*" means the same as defined in
15 section 514J.102.

16 d. "*Prescription insulin drug*" means a prescription drug
17 that contains insulin, is used to treat diabetes, and that has
18 been prescribed as medically necessary by a covered person's
19 health care professional.

20 2. Notwithstanding the uniformity of treatment requirements
21 of section 514C.6, a policy, contract, or plan providing
22 for third-party payment or prepayment of health or medical
23 expenses that provides coverage for prescription drugs shall
24 cap the total amount of cost-sharing that a covered person is
25 required to pay for a prescription insulin drug to an amount
26 not to exceed one hundred dollars per thirty-day supply of the
27 prescription insulin drug, regardless of the amount or type of
28 prescription insulin drug required to fill the covered person's
29 prescription.

30 3. Nothing in this section shall be construed to prohibit
31 a policy, contract, or plan providing for third-party payment
32 or prepayment of health or medical expenses from reducing a
33 covered person's cost-sharing obligation by an amount greater
34 than the amount specified pursuant to subsection 2.

35 4. a. This section shall apply to the following classes

1 of third-party payment provider contracts, policies, or plans
2 delivered, issued for delivery, continued, or renewed in this
3 state on or after January 1, 2021:

4 (1) Individual or group accident and sickness insurance
5 providing coverage on an expense-incurred basis.

6 (2) An individual or group hospital or medical service
7 contract issued pursuant to chapter 509, 514, or 514A.

8 (3) An individual or group health maintenance organization
9 contract regulated under chapter 514B.

10 (4) A plan established for public employees pursuant to
11 chapter 509A.

12 b. This section shall not apply to accident-only, specified
13 disease, short-term hospital or medical, hospital confinement
14 indemnity, credit, dental, vision, Medicare supplement,
15 long-term care, basic hospital and medical-surgical expense
16 coverage as defined by the commissioner of insurance,
17 disability income insurance coverage, coverage issued as a
18 supplement to liability insurance, workers' compensation or
19 similar insurance, or automobile medical payment insurance.

20 5. The commissioner of insurance shall adopt rules pursuant
21 to chapter 17A to administer this section.

22 EXPLANATION

23 The inclusion of this explanation does not constitute agreement with
24 the explanation's substance by the members of the general assembly.

25 This bill relates to prescription insulin drugs and coverage
26 by policies, contracts, or plans providing for third-party
27 payment or prepayment of health or medical expenses that
28 provide coverage for prescription drugs.

29 The bill requires a policy, contract, or plan providing for
30 third-party payment or prepayment of health or medical expenses
31 that provides coverage for prescription drugs to cap the total
32 amount of cost-sharing that a covered person is required to
33 pay for a prescription insulin drug to an amount not more than
34 \$100 for a 30-day supply, regardless of the amount or type of
35 prescription insulin drug required to fill the covered person's

1 prescription. "Prescription insulin drug" is defined in the
2 bill as a prescription drug that contains insulin, is used
3 to treat diabetes, and that has been prescribed as medically
4 necessary by a covered person's health care professional. The
5 bill defines "cost-sharing" as any coverage limit, copayment,
6 coinsurance, deductible, or other out-of-pocket expense imposed
7 on a covered person.

8 The bill does not prohibit a policy, contract, or plan
9 providing for third-party payment or prepayment of health or
10 medical expenses from reducing a covered person's cost-sharing
11 to less than \$100 for a 30-day supply of a prescription insulin
12 drug.

13 The bill applies to third-party payment provider contracts,
14 policies, or plans delivered, issued for delivery, continued,
15 or renewed in this state on or after January 1, 2021, by the
16 third-party payment providers enumerated in the bill.

17 The bill specifies the types of specialized health-related
18 insurance which are not subject to the coverage requirements
19 of the bill.

20 The commissioner of insurance is required to adopt rules to
21 administer the requirements of the bill.