

House File 405 - Introduced

HOUSE FILE 405
BY TUREK

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:

unofficial

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, or
8 plan providing for third-party payment or prepayment of health or
9 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 that
17 contains insulin, is used to treat diabetes, that has been
18 prescribed as medically necessary by a covered person's health
19 care professional, and is a benefit covered by the covered
20 person's policy, contract, or plan.

21 2. Notwithstanding the uniformity of treatment requirements
22 of section 514C.6, a policy, contract, or plan providing for
23 third-party payment or prepayment of health or medical expenses
24 that provides coverage for prescription drugs shall cap the total
25 amount of cost-sharing that a covered person is required to pay
26 per prescription filled to an amount not to exceed twenty-five
27 dollars for up to a thirty-one-day supply of at least one type of
28 each of the following:

29 a. Rapid-acting prescription insulin drugs.

30 b. Short-acting prescription insulin drugs.

31 c. Intermediate-acting prescription insulin drugs.

32 d. Long-acting prescription insulin drugs.

33 3. Nothing in this section shall be construed to prohibit a
34 policy, contract, or plan providing for third-party payment or
35 prepayment of health or medical expenses from reducing a covered

1 person's cost-sharing obligation by an amount greater than the
2 amount specified pursuant to subsection 2.

3 4. a. This section shall apply to the following classes
4 of third-party payment provider contracts, policies, or plans
5 delivered, issued for delivery, continued, or renewed in this
6 state on or after January 1, 2026:

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

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

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

13 (4) A plan established for public employees pursuant to
14 chapter 509A.

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

23 5. The commissioner of insurance may adopt rules pursuant to
24 chapter 17A to administer this section.

25 EXPLANATION

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

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

32 The bill requires a policy, contract, or plan providing
33 for third-party payment or prepayment of health or medical
34 expenses that provides coverage for prescription drugs to cap
35 the total amount of cost-sharing that a covered person is

1 required to pay per prescription filled of an insulin drug to
2 an amount not more than \$25 for an up to 31-day supply of
3 at least one type of rapid-acting prescription insulin drugs,
4 short-acting prescription insulin drugs, intermediate-acting
5 prescription insulin drugs, or long-acting prescription insulin
6 drugs. "Prescription insulin drug" is defined in the bill as
7 a prescription drug that contains insulin, is used to treat
8 diabetes, has been prescribed as medically necessary by a covered
9 person's health care professional, and is a benefit covered by
10 a covered person's policy, contract, or plan. The bill defines
11 "cost-sharing" as any coverage limit, copayment, coinsurance,
12 deductible, or other out-of-pocket expense imposed on a covered
13 person.

14 The bill does not prohibit a policy, contract, or plan
15 providing for third-party payment or prepayment of health or
16 medical expenses from reducing a covered person's cost-sharing to
17 less than \$25 for up to a 31-day supply of a prescription insulin
18 drug.

19 The bill applies to third-party payment provider contracts,
20 policies, or plans delivered, issued for delivery, continued,
21 or renewed in this state on or after January 1, 2026, by the
22 third-party payment providers enumerated in the bill.

23 The bill specifies the types of specialized health-related
24 insurance which are not subject to the coverage requirements of
25 the bill.

26 The commissioner of insurance may adopt rules to administer
27 the requirements of the bill.