



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB3395

Introduced 2/14/2014, by Sen. Linda Holmes

SYNOPSIS AS INTRODUCED:

215 ILCS 5/356z.22 new

Amends the Illinois Insurance Code. Provides that a health plan that provides coverage for prescription drugs shall ensure that (1) any required copayment or coinsurance applicable to drugs on a specialty tier does not exceed \$100 per month for up to a 30-day supply of any single drug and (2) required copayment or coinsurance for drugs on a specialty tier does not exceed, in the aggregate for those specialty tier covered drugs, \$200 per month per enrollee. Provides that a health plan that provides coverage for prescription drugs and utilizes a tiered formulary shall implement an exceptions process that allows enrollees to request an exception to the tiered cost-sharing structure. Makes other changes. Effective January 1, 2015.

LRB098 20278 RPM 55691 b

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Insurance Code is amended by adding
5 Section 356z.22 as follows:

6 (215 ILCS 5/356z.22 new)

7 Sec. 356z.22. Specialty tier prescription coverage.

8 (a) In this Section:

9 "Coinsurance" means a cost-sharing amount set as a
10 percentage of the total cost of a drug.

11 "Copayment" means a cost-sharing amount set as a dollar
12 value.

13 "Non-preferred drug" means a drug in a tier designed for
14 certain drugs deemed non-preferred and therefore subject to
15 higher cost-sharing amounts than preferred drugs.

16 "Preferred drug" means a drug in a tier designed for
17 certain drugs deemed preferred and therefore subject to lower
18 cost-sharing amounts than non-preferred drugs.

19 "Specialty tier" means a tier of cost sharing designed for
20 select specialty drugs that imposes cost-sharing obligations
21 that exceed that amount for non-preferred brand-name drugs or
22 their equivalent (for brand-name drugs if there is no
23 non-preferred brand-name drug category) and such a

1 cost-sharing amount is based on a coinsurance.

2 "Tiered formulary" means a formulary that provides
3 coverage for prescription drugs as part of a health plan for
4 which cost sharing, deductibles, or coinsurance obligations
5 are determined by category or tier of prescription drugs and
6 includes at least 2 different tiers.

7 (b) A health plan that provides coverage for prescription
8 drugs shall ensure that:

9 (1) any required copayment or coinsurance applicable
10 to drugs on a specialty tier does not exceed \$100 per month
11 for up to a 30-day supply of any single drug; and

12 (2) any required copayment or coinsurance for drugs on
13 a specialty tier does not exceed, in the aggregate for
14 those specialty tier covered drugs, \$200 per month per
15 enrollee.

16 (c) A health plan that provides coverage for prescription
17 drugs and utilizes a tiered formulary shall implement an
18 exceptions process that allows enrollees to request an
19 exception to the tiered cost-sharing structure. Under such an
20 exception, a non-preferred drug may be covered under the cost
21 sharing applicable for preferred drugs if the prescribing
22 physician determines that the preferred drug for treatment of
23 the same condition either would not be as effective for the
24 individual or would have adverse effects for the individual, or
25 both. In the event an enrollee is denied a cost-sharing
26 exception, the denial shall be considered an adverse event and

1 shall be subject to the health plan's internal review process.

2 (d) A health plan that provides coverage for prescription
3 drugs is prohibited from placing all drugs in a given class on
4 a specialty tier.

5 (e) Nothing in this Section shall be construed to require a
6 health plan to:

7 (1) provide coverage for any additional drugs not
8 otherwise required by law;

9 (2) implement specific utilization management
10 techniques, such as prior authorization or step therapy; or

11 (3) cease utilization of tiered cost-sharing
12 structures, including those strategies used to incent use
13 of preventive services, disease management, and low-cost
14 treatment options.

15 (f) Nothing in this Section shall be construed to require a
16 pharmacist to substitute a drug without the consent of the
17 prescribing physician.

18 (g) The Director shall adopt rules outlining the
19 enforcement processes for this Section.

20 Section 99. Effective date. This Act takes effect January
21 1, 2015.