HB249

207943-4

By Representative Lee

RFD: Insurance

First Read: 02-FEB-21
ENROLLED, An Act,

To require a health benefit plan that provides coverage for prescription insulin drugs to cap the amount of any cost-sharing or co-pay that an insured or a beneficiary under the plan is required to pay for a covered prescription insulin drug; and to amend Sections 10A-20-6.16 and 27-21A-23, Code of Alabama 1975, as amended by Act 2019-98 of the 2019 Regular Session, relating to health care service plans and health maintenance organizations.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) As used in this section, the following words have the following meanings:

(1) HEALTH BENEFIT PLAN. Any group insurance plan, individual health insurance policy or other policy, or contract for health care services that covers hospital, medical, or surgical expenses, health maintenance organizations, preferred provider organizations, medical service organizations, physician-hospital organizations, or any other person, firm, corporation, joint venture, or other similar business entity that pays for, purchases, or furnishes group health care services to patients, insureds, or beneficiaries in this state. For the purposes of this section, a health benefit plan located or domiciled outside of the State of Alabama is deemed to be subject to this section if
the plan, policy, or contract is issued or delivered in the
State of Alabama. The term includes, but is not limited to,
entities created pursuant to Article 6, Chapter 20, Title 10A,
Code of Alabama 1975. The term does not include accident-only,
specified disease, individual hospital indemnity, credit,
dental-only, Medicare-supplement, long-term care, or
disability income insurance, other limited benefit health
insurance policies, coverage issued as a supplemental to
liability insurance, workers' compensation or similar
insurance, or automobile medical-payment insurance.

(2) PRESCRIPTION INSULIN DRUG. A prescription drug
that contains insulin, is used to treat diabetes, and has been
prescribed as medically necessary by the treating physician.

(b)(1) A health benefit plan that provides coverage
for prescription insulin drugs shall cap the total amount of
any cost-sharing or co-pay that an insured or beneficiary is
required to pay under the plan for a covered prescription
insulin drug at an amount not to exceed one hundred dollars
($100) per 30-day supply of the insulin drug, without regard
to the policy deductible, regardless of the amount or type of
insulin needed to fill the insured's or beneficiary's
prescription.

(2) This section does not prevent a health benefit
plan from reducing an insured's or beneficiary's cost-sharing
obligation by an amount greater than the amount specified in subdivision (1).

(3) On January 1 of each year, the limit on the amount that an insured is required to pay for a 30-day supply of a covered prescription insulin drug shall increase by a percentage equal to the percentage change from the preceding year in the prescription drug component of the Consumer Price Index of the Bureau of Labor Statistics of the United States Department of Labor.

(4) This section does not apply to a health benefit plan if the implementation of the cost-sharing or co-pay cap in subdivision (1) would necessitate the health benefit plan's cost sharing for other services to be increased in order to comply with federally mandated actuarial values for non-grandfathered individual and small group plans.

(5) This section shall apply to contracts entered into after the effective date of this act.

Section 2. Sections 10A-20-6.16 and 27-21A-23, as amended by Act 2019-98, Code of Alabama 1975, are amended to read as follows:

"§10A-20-6.16.

"(a) No statute of this state applying to insurance companies shall be applicable to any corporation organized under this article and amendments thereto or to any contract
made by the corporation; except the corporation shall be subject to the following:

"(1) The provisions regarding annual premium tax to be paid by insurers on insurance premiums.

"(2) Chapter 55 of Title 27.

"(3) Article 2 and Article 3 of Chapter 19 of Title 27.

"(4) Section 27-1-17.

"(5) Chapter 56 of Title 27.

"(6) Rules promulgated adopted by the Commissioner of Insurance pursuant to Sections 27-7-43 and 27-7-44.

"(7) Chapter 54 of Title 27.

"(8) Chapter 57 of Title 27.

"(9) Chapter 58 of Title 27.

"(10) Chapter 59 of Title 27.

"(11) Chapter 54A of Title 27.

"(12) Chapter 12A of Title 27.

"(13) Chapter 2B of Title 27.

"(14) Chapter 29 of Title 27.

"(15) Chapter 62 of Title 27.

"(16) Section 1 of the act adding this subdivision.

"(b) The provisions in subsection (a) that require specific types of coverage to be offered or provided shall not apply when the corporation is administering a self-funded
benefit plan or similar plan, fund, or program that it does not insure.

"§27-21A-23.

(a) Except as otherwise provided in this chapter, provisions of the insurance law and provisions of health care service plan laws shall not be applicable to any health maintenance organization granted a certificate of authority under this chapter. This provision shall not apply to an insurer or health care service plan licensed and regulated pursuant to the insurance law or the health care service plan laws of this state except with respect to its health maintenance organization activities authorized and regulated pursuant to this chapter.

(b) Solicitation of enrollees by a health maintenance organization granted a certificate of authority shall not be construed to violate any provision of law relating to solicitation or advertising by health professionals.

(c) Any health maintenance organization authorized under this chapter shall not be deemed to be practicing medicine and shall be exempt from the provisions of Section 34-24-310, et seq., relating to the practice of medicine.

(d) No person participating in the arrangements of a health maintenance organization other than the actual provider of health care services or supplies directly to
enrollees and their families shall be liable for negligence, misfeasance, nonfeasance, or malpractice in connection with the furnishing of such services and supplies.

"(e) Nothing in this chapter shall be construed in any way to repeal or conflict with any provision of the certificate of need law.

"(f) Notwithstanding the provisions of subsection (a), a health maintenance organization shall be subject to all of the following:

"(1) Section 27-1-17.

"(2) Chapter 56.

"(3) Chapter 54.

"(4) Chapter 57.

"(5) Chapter 58.

"(6) Chapter 59.

"(7) Rules promulgated adopted by the Commissioner of Insurance pursuant to Sections 27-7-43 and 27-7-44.

"(8) Chapter 12A.

"(9) Chapter 54A.

"(10) Chapter 2B.

"(11) Chapter 29.

"(12) Chapter 62.

"(13) Section 1 of the act adding this subdivision."

Section 3. This act shall become effective on October 1, 2021.
Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 09-MAR-21.

Jeff Woodard
Clerk

Senate  08-APR-21  Passed