

Prescription Coverage Transparency and Continuity of Care SB 272

The Problem

Consumers attempting to choose a marketplace plan based on coverage and cost of their needed drugs, will likely find the process of finding formularies, verifying coverage, and determining cost-sharing burdensome in most cases, and impossible in other cases. And even after a patient buys a plan that covers their needed medications, they can't be sure the drug will continue to be covered at a cost they can afford, throughout the plan year.

Comparing plans based on coverage of certain medications and likely out-of-pocket costs for drugs is a significant challenge facing consumers. Additionally, this is a problem when plans place drugs on the highest cost-sharing tier, which generally requires coinsurance rather than a flat copayment. Coinsurance does not provide consumers with any estimate of their out-of-pocket costs, as the negotiated drug price on which coinsurance is based is not shown. If a patient is forced to choose a plan without knowing whether their needed drugs are covered at a cost they can afford, they are much more likely to face access and affordability barriers to treatment.

Mid-year switching presents an additional barrier to patient access to affordable life-saving medication. If a patient is able to find a plan best for their medical and affordability needs, patients are left vulnerable to carriers adjusting medication coverage mid-plan year. Currently, nothing prohibits carriers from removing a medication from a formulary or moving a medication to a higher cost-tier. As a result, patients may have trouble accessing medications which were covered when they purchased their plan.

The Solution

Prescription Coverage Transparency

Increasing prescription coverage transparency empowers patients to be smart consumers when researching and purchasing a plan. By improving transparency of medication coverage and costs, patients will be more likely to choose a plan that covers the drugs they need at a cost they can anticipate and afford.

- Require drug formularies be electronically searchable by drug name.
- Require disclosure of coverage and cost information for drugs administered in a provider's office and typically covered under the plan's medical benefit.
- Require disclosure of a patient's dollar cost estimate for medications subject to co-insurance.

Consumer Protections from Mid-Year Switching

Mid-year formulary changes have negative health and economic impacts on patients. Specifically, when plans remove a drug from a formulary all together or move a drug to a high cost tier. SB 272 protects patients by ensuring carriers honor the yearly contract by:

- Prohibiting a carrier from moving a drug to a higher-cost-tier
- Prohibiting a carrier from removing a drug from a formulary unless a warning has been issued by FDA.



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