

SB 526 STAFF MEASURE SUMMARY

Senate Committee On Health Care

Prepared By: Oliver Droppers, LPRO Analyst

Meeting Dates: 2/21

WHAT THE MEASURE DOES:

Modifies the current statutory definition of “step therapy.” Requires insurers that use step therapy protocols (ST) to adopt new criteria to govern the use of ST protocols including a new override protocol. Require insurers to provide clear guidance to health care professionals with prescribing authority on criteria to submit a request to override a step therapy protocol for health care providers. Establishes that if an insurer does not process an override request within 24-72 hours, depending on the severity of a patient’s medical condition, the insurer must authorize payment for the prescribed drug(s). Require health insurers that offer health benefit plans to provide enrollees a summary of an insurer’s procedures to obtain a step therapy override. Takes effect January 1, 2018.

REVENUE: May have revenue impact, but no statement yet issued.

FISCAL: May have fiscal impact, but no statement yet issued.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Step therapy (ST) protocol requires an individual with health insurance try a first-line medication before receiving coverage for a second-line medication. Step therapy is used by insurers in commercial, Medicare and Medicaid coverage programs as a cost-saving measure. A 2011 review of twelve studies on the impact of ST suggested programs could achieve cost savings through the use of lower-cost pharmaceutical alternatives (e.g. generics), and to a lesser extent, decreased drug utilization, except for antipsychotics.

Senate Bill 526 creates new requirements for Oregon insurers that use step therapy protocols.