

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 989
Finance

(Senator Lam, *et al.*)

Health Insurance - Epinephrine Injectors - Limits on Cost Sharing (Epinephrine
Cost Reduction Act of 2024)

This bill requires an insurer, nonprofit health service plan, or health maintenance organization (collectively known as carriers) that provides coverage for prescription drugs and devices (including coverage provided through a pharmacy benefits manager) to limit the total amount a covered individual is required to pay in copayment, coinsurance, and deductibles for a twin-pack of medically necessary epinephrine injectors to no more than \$60, regardless of the type of epinephrine injector needed to fill the covered individual's prescription. A carrier may set the amount a covered individual is required to pay at an amount less than \$60. **The bill takes effect January 1, 2025, and applies to all policies, contracts, and health benefits plans issued, delivered, or renewed in the State on or after that date.**

Fiscal Summary

State Effect: Minimal special fund revenue increase for the Maryland Insurance Administration (MIA) in FY 2025 only from the \$125 rate and form filing fee. Review of filings can likely be handled with existing MIA resources. No effect on the State Employee and Retiree Health and Welfare Benefits Program, as discussed below.

Local Effect: Potential minimal increase in health insurance premiums for local governments that purchase fully insured plans due to the limitation on allowable cost sharing. Revenues are not affected.

Small Business Effect: Likely minimal; however, health insurance premiums may increase in the small group market due to the limitation on allowable cost sharing.

Analysis

Current Law: Under Maryland law, there are more than 50 mandated health insurance benefits that certain carriers must provide to their enrollees. This includes coverage for all medically appropriate and necessary diabetes equipment, supplies, and outpatient self-management training and educational services, including medical nutrition therapy. A carrier may not impose a deductible, copayment, or coinsurance on diabetes test strips, except for a high deductible health plan.

The federal Patient Protection and Affordable Care Act requires nongrandfathered health plans to cover 10 essential health benefits, which include prescription drugs.

A carrier must limit the amount a covered individual is required to pay in copayments or coinsurance for a covered prescription insulin drug to no more than \$30 for a 30-day supply, regardless of the amount or type of insulin needed to fill the covered individual's prescription. A carrier may set the amount a covered individual is required to pay in copayments or coinsurance to an amount that is less than \$30 per 30-day supply. A contract between a carrier (or a pharmacy benefits manager) and a pharmacy (or the pharmacy's contracting agent) may not authorize a party to the contract to charge a covered individual, require a pharmacy to collect from a covered individual, or require a covered individual to pay an amount greater than \$30 per 30-day supply.

A carrier may not impose a copayment or coinsurance requirement on a prescription drug prescribed to treat diabetes, HIV, or AIDS that exceeds \$150 for up to a 30-day supply of the drug. On July 1 each year, the limit on the copayment or coinsurance requirement must increase to reflect inflation, as specified.

State Expenditures: The Department of Budget and Management (DBM) advises that the State Employee and Retiree Health and Welfare Benefits Program currently provides coverage for a pack of two epinephrine injectors with a lower copayment than required under the bill. Thus, there is no impact on the program.

Additional Comments: MIA and DBM advise that the bill's language limiting the total amount a covered individual is required to pay in copayments, coinsurance, *and deductibles* for a twin-pack of epinephrine may create issues for health savings account-compatible high deductible health plans.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced in the last three years.

Designated Cross File: HB 939 (Delegate Palakovich Carr) - Health and Government Operations.

Information Source(s): Department of Budget and Management; Maryland Department of Health; Maryland Insurance Administration; Department of Legislative Services

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js/jc

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