MN HOUSE RESEARCH

Bill Summary

H.F. 1257

As introduced

Subject	Drug Benefit Transparency
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Overview

This bill requires health plan companies to make formulary and related benefit information available at least 30 days prior to renewal dates, and establishes requirements for health plan company formulary changes.

Summary

Section	Description
1	**Prescription drug benefit transparency and management.** Adds § 62Q.83. **Subd. 1. Definitions.** Defines the following terms: drug, enrollee contract year, formulary, health plan company, and prescription. **Subd. 2. Prescription drug benefit disclosure.** (a) Requires a health plan company that provides drug coverage and uses a formulary to makes its formulary and related benefit information available by electronic means, and upon request in writing, at least 30 days prior to annual renewal dates. (b) Requires formularies to be organized and disclosed consistent with the most recent version of the United States Pharmacopeia's Model Guidelines. (c) Requires the specific enrollee benefit terms, including cost-sharing and out-of-pocket costs, to be identified for each item or category of items on the formulary. **Subd. 3. Formulary changes.** (a) Allows a health plan company, at any time during a contract year, to expand the formulary, reduce copayments or coinsurance, or move a drug to a lower cost benefit category. (b) Allows a health plan company to remove a brand name drug from the formulary or place the drug in a higher cost benefit category only if a generic or multisource drug rated as therapeutically equivalent, or a biologic drug rated as interchangeable, that is at a lower cost to the enrollee, is added, with at least 60 days' notice.

Section	Description
	(c) Allows a health plan company to change utilization review requirements or move drugs to a higher cost benefit category, that increases enrollee costs during a contract year, only with 60 days' notice, and provides that the changes do not apply to enrollees taking the drugs for the duration of the contract year. (d) Allows a health plan company to remove drugs from its formulary that have been deemed unsafe by the Food and Drug Administration (FDA), been withdrawn by the FDA or manufacturer, or when an independent source of research, guidelines, or standards has issued drug-specific warnings or recommended changes in drug usage.
2	**Service delivery.** Amends § 256B.69, subd. 6. Requires managed care plans and county-based purchasing plans under Medical Assistance to comply with § 62Q.83.