SENATE . . . . . No. 2293

The Commonwealth of Massachusetts

In the Year Two Thousand Fourteen

SENATE, Tuesday, July 22, 2014

The committee on Ways and Means, to whom was referred the Senate Bill relative to patient financial protection (Senate, No. 477) (the committee on Health Care Financing having recommended that the bill be amended by substitution of a new draft with the same title, Senate, No. 2096) reports, recommending that the proposed Health Care Financing new draft (Senate, No. 2096) ought to pass, with an amendment, substituting a new draft with the same title (Senate, No. 2293).

For the committee,
Stephen M. Brewer

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An Act relative to patient financial protection.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Chapter 175 of the General Laws is hereby amended by inserting after section 47DD the following section:-

Section 47EE. Any policy, contract, agreement, plan or certificate of insurance issued, delivered or renewed within the commonwealth that provides coverage for prescription drugs shall establish a separate out-of-pocket limit for prescription drugs, which shall include specialty drugs. The out-of-pocket limit shall not exceed the dollar amount set as the minimum annual deductible for a high deductible health plan under section 223 of the federal Internal Revenue Code of 1986, 26 U.S.C. §223 (c)(2)(A)(i), for self-only and family coverage, respectively. For the purposes of this section the term “out-of-pocket limit” shall include expenses that: (1) are a cost-sharing expenditure under section 1302 of the federal Patient Protection and Affordable Care Act, 42 U.S.C. §18022 (c)(3); and (2) relate to prescription drug coverage.

SECTION 2. Chapter 176A of the General Laws is hereby amended by inserting after section 8FF the following section:-

Section 8GG. Any contract between a subscriber and the corporation under an individual or group hospital service plan which is delivered, issued or renewed within the commonwealth that provides coverage for prescription drugs shall establish a separate out-of-pocket limit for prescription drugs, which shall include specialty drugs. The out out-of-pocket limit shall not exceed the dollar amount set as the minimum annual deductible for a high deductible health plan under section 223 of the federal Internal Revenue Code of 1986, 26 U.S.C. §223 (c)(2)(A)(i), for self-only and family coverage, respectively. For the purposes of this section the term "out-of-pocket limit" shall include expenses that: (1) are a cost-sharing expenditure under section 1302 of the federal Patient Protection and Affordable Care Act, 42 U.S.C. §18022 (c)(3); and (2) relate to prescription drug coverage.

SECTION 3. Chapter 176B of the General Laws is hereby amended by inserting after section 4FF the following section:-

Section 4GG. Any subscription certificate under an individual or group medical service agreement delivered, issued or renewed within the commonwealth that provides coverage for prescription drugs shall establish a separate out-of-pocket limit for prescription drugs, which shall include specialty drugs. The out-of-pocket limit shall not exceed the dollar amount set as the minimum annual deductible for a high deductible health plan under section 223 of the federal Internal Revenue Code of 1986, 26 U.S.C. §223 (c)(2)(A)(i), for self-only and family coverage, respectively. For the purposes of this section the term "out-of-pocket limit" shall include expenses that: (1) are a cost-sharing expenditure under section 1302 of the federal Patient Protection and Affordable Care Act, 42 U.S.C. §18022 (c)(3); and (2) relate to prescription drug coverage.

SECTION 4. Chapter 176G of the General Laws is hereby amended by inserting after section 4X the following section:-

Section 4Y. (a) Any individual or group health maintenance organization that provides coverage for prescription drugs shall establish a separate out-of-pocket limit for prescription drugs, which shall include specialty drugs. The out-of-pocket limit shall not exceed the dollar amount set as the minimum annual deductible for a high deductible health plan under section 223of the federal Internal Revenue Code of 1986, 26 U.S.C. §223 (c)(2)(A)(i), for self-only and family coverage, respectively. For the purposes of this section the term “out-of-pocket limit” shall include expenses that: (1) are a cost-sharing expenditure under section 1302 of the federal Patient Protection and Affordable Care Act, 42 U.S.C. §18022 (c)(3); and (2) relate to prescription drug coverage.

SECTION 5. This act shall apply to all policies, contracts and certificates of health insurance subject to section 47EE of chapter 175, section 8GG of chapter 176A, section 4GG of chapter 176B and section 4Y of chapter 176G of the General Laws delivered, issued or renewed on or after January 1, 2015.