

No. 2016-73

AN ACT

HB 60

Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An act relating to insurance; amending, revising, and consolidating the law providing for the incorporation of insurance companies, and the regulation, supervision, and protection of home and foreign insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and fire insurance rating bureaus, and the regulation and supervision of insurance carried by such companies, associations, and exchanges, including insurance carried by the State Workmen's Insurance Fund; providing penalties; and repealing existing laws," in casualty insurance, providing for coverage for oral chemotherapy medications.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. The act of May 17, 1921 (P.L.682, No.284), known as The Insurance Company Law of 1921, is amended by adding a section to read:

Section 631.1. Coverage for Oral Chemotherapy Medications.—(a) Whenever a health insurance policy provides coverage that includes coverage for intravenously administered or injected chemotherapy medications which have been approved by the United States Food and Drug Administration for general use in the treatment of cancer, the policy shall not provide coverage or impose cost sharing for a prescribed, orally administered chemotherapy medication on a less favorable basis than the coverage it provides or cost sharing it imposes for intravenously administered or injected chemotherapy medications.

(b) A health insurance policy shall not increase cost sharing for chemotherapy medications in order to avoid compliance with subsection (a). A health insurance policy may increase cost sharing for chemotherapy medications if an increase is applied generally to other medical or pharmaceutical benefits administered in a similar health care setting under the contract.

(c) The prohibitions in subsections (a) and (b) do not preclude a health insurance policy from requiring an enrollee to obtain prior authorization before orally administered chemotherapy medication is dispensed to the enrollee. As part of prior authorization, an insurer may consider the medical necessity and cost of oral chemotherapy medications compared with intravenously administered or injected chemotherapy medication.

(d) This section shall apply to a high deductible health plan, as defined in section 223(c)(2) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 223(c)(2)), only after the covered person's deductible has been satisfied for the year.

(e) This section shall apply to those health insurance policies issued or entered into or renewed on or after the effective date of this section.

(f) As used in this section:

"Chemotherapy medication" means a medication prescribed by a treating health care practitioner that is necessary to kill or slow the growth of cancerous cells.

"Cost sharing" means the cost to an individual insured under a health insurance policy according to any coverage limit, copayment, coinsurance, deductible or other out-of-pocket expense requirements imposed by the policy, contract or agreement.

"Health insurance policy" means any individual or group health, sickness or accident policy, or subscriber contract or certificate offered, issued or renewed by an entity subject to one of the following:

(1) This act.

(2) The act of December 29, 1972 (P.L.1701, No.364), known as the "Health Maintenance Organization Act."

(3) 40 Pa.C.S. Ch. 61 (relating to hospital plan corporations) or 63 (relating to professional health services plan corporations).

The term does not include accident only, fixed indemnity, limited benefit, credit, dental, vision, specified disease, Medicare supplement, Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) supplement, long-term care or disability income, workers' compensation or automobile medical payment insurance.

Section 2. The addition of section 631.1 of the act applies as follows:

(1) For health insurance policies for which either rates or forms are required to be filed with the Insurance Department or the Federal Government, section 631.1 of the act shall apply to any such policy for which a form or rate is first filed on or after the effective date of this section.

(2) For health insurance policies for which neither rates nor forms are required to be filed with the Insurance Department or the Federal Government, section 631.1 of the act shall apply to any such policy issued or renewed on or after 180 days after the effective date of this section.

Section 3. This act shall take effect immediately.

APPROVED—The 8th day of July, A.D. 2016

TOM WOLF