

HB 239, PRESCRIPTION COPAYMENT CAP AMENDMENTS, (Poulson, M)

Anticipated Fiscal Impact:

\$208,529 per year (\$0.84 PEPM)

Summary:

HB 239 caps the amount an insured is required to pay for insulin at \$100 per one month supply. PEHP currently covers insulin at the second lowest cost sharing tier and operates a diabetes savings program that provides insulin at the lowest cost sharing tier for those who participate. HB 239 limits insulin copayments to \$100 per month. Payment of insulin with this cap would cost an estimated \$208,529 per year.

PEHP would incur modest administrative costs of about \$1,000 to modify existing benefits. These activities would be done within existing budgets.

The cost of the bill will increase as the cost of insulin increases, since the insured's cost sharing responsibility will be fixed at \$100. Over the last 3 years, insulin has increased by a total of 13%.

Further, the Legislature's decision last year to incorporate a preventative drug list before the deductible for the STAR HSA Plan, has the effect of reducing the fiscal impact of this bill. Had the Legislature not done this, the fiscal impact here would have been \$239,169 (\$0.97 PEPM).

Assumptions & Analysis:

Insulin claims will adjudicate and member cost sharing for insulin will be capped at \$100 per month. We obtained utilization for calendar year 2019 for all covered insulin claims and evaluated the cost to cap monthly member out of pocket costs at \$100 per month. In this utilization results include:

Cost to cap member cost sharing at a maximum of \$100 per month
--

Members using Insulin	Claim Count	Current Member Cost (Tier 2)	Member Cost with a \$100 per month cap	Difference
1,012	8,836	\$624,522	\$415,993	\$208,529