

FIFTY-THIRD LEGISLATURE
FIRST SESSION, 2017

HB 244/a

March 10, 2017

Mr. President:

Your **CORPORATIONS AND TRANSPORTATION COMMITTEE**, to whom has been referred

HOUSE BILL 244

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. On page 1, strike lines 11 through 15 in their entirety and insert in lieu thereof "RELATING TO HEALTH COVERAGE; ENACTING NEW SECTIONS OF THE HEALTH CARE PURCHASING ACT, THE PUBLIC ASSISTANCE ACT, THE NEW MEXICO INSURANCE CODE, THE HEALTH MAINTENANCE ORGANIZATION LAW AND THE NONPROFIT HEALTH CARE PLAN LAW TO ESTABLISH GUIDELINES RELATING TO STEP THERAPY FOR PRESCRIPTION DRUG COVERAGE; PROVIDING FOR DELAYED REPEAL."

2. On page 1, line 18 through page 32, line 9, strike Sections 1 through 6 in their entirety and insert in lieu thereof the following new sections:

"SECTION 1. A new section of the Health Care Purchasing Act is enacted to read:

"[NEW MATERIAL] PRESCRIPTION DRUG COVERAGE--STEP THERAPY PROTOCOLS--EXCEPTIONS.--

A. Group health coverage, including any form of self-insurance, offered, issued or renewed under the Health Care Purchasing Act that provides coverage for prescription drugs for which any step therapy protocols are required shall provide to each enrollee and practitioner prescribing a prescription drug subject to a step therapy protocol access to a clear, readily accessible and convenient process to request a step therapy exception determination. A group health plan may use its existing medical exceptions process to satisfy this requirement. The process shall be made easily accessible for enrollees and practitioners on the

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group health plan's publicly accessible website.

B. A group health plan shall expeditiously grant an exception to the group health plan's step therapy protocol if:

(1) the prescription drug that is the subject of the exception request is contraindicated or will likely cause an adverse reaction by or physical or mental harm to the patient;

(2) the prescription drug that is the subject of the exception request is expected to be ineffective based on the known clinical characteristics of the patient and the known characteristics of the prescription drug regimen;

(3) while under the enrollee's current health coverage or previous health coverage, the enrollee has tried the prescription drug that is the subject of the exception request or another prescription drug in the same pharmacologic class or with the same mechanism of action as the prescription drug that is the subject of the exception request and that prescription drug was discontinued due to lack of efficacy or effectiveness, diminished effect or an adverse event;

(4) the prescription drug that is the subject of the exception request is not in the best interest of the patient, based on medical necessity; or

(5) while enrolled in the enrollee's current health coverage, the enrollee is stable, or while enrolled in the enrollee's previous health coverage, the enrollee was stable, on a prescription drug selected by the enrollee's practitioner for the medical condition under consideration.

C. Upon the granting of an exception to a group health plan's step therapy protocol, the group health plan administrator shall authorize coverage for the prescription drug that is the subject of the exception request.

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D. The provisions of this section shall not be construed to prevent a:

(1) group health plan from requiring a patient to try a generic equivalent of a prescription drug before providing coverage for the equivalent brand-name prescription drug; or

(2) practitioner from prescribing a prescription drug that the practitioner has determined to be medically necessary.

E. The provisions of this section shall apply only to a group health plan delivered, issued for delivery or renewed on or after January 1, 2018.

F. As used in this section, "medically necessary" means that a prescription drug is appropriate:

(1) to improve or preserve health, life or function;

(2) to slow the deterioration of health, life or function; or

(3) for the early screening, prevention, evaluation, diagnosis or treatment of a disease, condition, illness or injury."

SECTION 2. A new section of the Public Assistance Act is enacted to read:

"[NEW MATERIAL] MEDICAL ASSISTANCE--PRESCRIPTION DRUG COVERAGE--STEP THERAPY PROTOCOLS--EXCEPTIONS.--

A. When a medical assistance plan restricts coverage of a prescription drug for the treatment of any medical condition through the use of a step therapy protocol, a recipient and the practitioner prescribing the prescription drug shall have access to a clear, readily accessible and convenient process to request a step therapy exception determination. A medical assistance plan may use its

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existing medical exceptions process to satisfy this requirement. The process shall be made easily accessible for recipients and practitioners on the medical assistance plan's publicly accessible website.

B. A medical assistance plan shall expeditiously grant an exception to the medical assistance plan's step therapy protocol if:

(1) the prescription drug that is the subject of the exception request is contraindicated or will likely cause an adverse reaction by or physical or mental harm to the patient;

(2) the prescription drug that is the subject of the exception request is expected to be ineffective based on the known clinical characteristics of the patient and the known characteristics of the prescription drug regimen;

(3) while under the recipient's current medical assistance plan, or under the recipient's previous health coverage, the recipient has tried the prescription drug that is the subject of the exception request or another prescription drug in the same pharmacologic class or with the same mechanism of action as the prescription drug that is the subject of the exception request and that prescription drug was discontinued due to lack of efficacy or effectiveness, diminished effect or an adverse event;

(4) the prescription drug that is the subject of the exception request is not in the best interest of the patient, based on medical necessity; or

(5) while enrolled in the recipient's current medical assistance plan, the recipient is stable, or while enrolled in the recipient's previous health coverage, the recipient was stable, on a prescription drug selected by the recipient's practitioner for the medical condition under consideration.

C. Upon the granting of an exception to a medical

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assistance plan's step therapy protocol, a medical assistance plan shall authorize coverage for the prescription drug that is the subject of the exception request.

D. The provisions of this section shall not be construed to prevent:

(1) a medical assistance plan from requiring a patient to try a generic equivalent of a prescription drug before providing coverage for the equivalent brand-name prescription drug; or

(2) a practitioner from prescribing a prescription drug that the practitioner has determined to be medically necessary.

E. The provisions of this section shall apply only to medical assistance plan enrollment or renewal that occurs on or after January 1, 2018.

F. As used in this section, "medically necessary" means that a prescription drug is appropriate:

(1) to improve or preserve health, life or function;

(2) to slow the deterioration of health, life or function; or

(3) for the early screening, prevention, evaluation, diagnosis or treatment of a disease, condition, illness or injury."

SECTION 3. A new section of Chapter 59A, Article 22 NMSA 1978 is enacted to read:

"[NEW MATERIAL] PRESCRIPTION DRUG COVERAGE--STEP THERAPY PROTOCOLS--EXCEPTIONS.--

A. Each individual health insurance policy, health care

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plan and certificate of health insurance delivered or issued for delivery in this state that provides a prescription drug benefit for which any step therapy protocols are required shall provide to each insured and practitioner prescribing a prescription drug subject to a step therapy protocol access to a clear, readily accessible and convenient process to request a step therapy exception determination. An insurer may use its existing medical exceptions process to satisfy this requirement. The process shall be made easily accessible for insureds and practitioners on the insurer's publicly accessible website.

B. An insurer shall expeditiously grant an exception to the health insurance policy's, health care plan's or certificate of insurance's step therapy protocol if:

(1) the prescription drug that is the subject of the exception request is contraindicated or will likely cause an adverse reaction by or physical or mental harm to the patient;

(2) the prescription drug that is the subject of the exception request is expected to be ineffective based on the known clinical characteristics of the patient and the known characteristics of the prescription drug regimen;

(3) while under the insured's current health insurance policy, health care plan or certificate of insurance, or under the insured's previous health coverage, the insured has tried the prescription drug that is the subject of the exception request or another prescription drug in the same pharmacologic class or with the same mechanism of action as the prescription drug that is the subject of the exception request and that prescription drug was discontinued due to lack of efficacy or effectiveness, diminished effect or an adverse event;

(4) the prescription drug that is the subject of the exception request is not in the best interest of the patient, based on medical necessity; or

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(5) while enrolled in the insured's current health insurance policy, health care plan or certificate of insurance, the insured is stable, or while enrolled in the insured's previous health coverage, the insured was stable, on a prescription drug selected by the insured's practitioner for the medical condition under consideration.

C. Upon the granting of an exception to a health insurance policy's, health care plan's or certificate of insurance's step therapy protocol, an insurer shall authorize coverage for the prescription drug that is the subject of the exception request.

D. The provisions of this section shall not be construed to prevent:

(1) a health insurance policy, health care plan or certificate of insurance from requiring a patient to try a generic equivalent of a prescription drug before providing coverage for the equivalent brand-name prescription drug; or

(2) a practitioner from prescribing a prescription drug that the practitioner has determined to be medically necessary.

E. The provisions of this section shall apply only to a health insurance policy, health care plan or certificate of insurance delivered, issued for delivery or renewed on or after January 1, 2018.

F. As used in this section, "medically necessary" means that a prescription drug is appropriate:

- (1) to improve or preserve health, life or function;
- (2) to slow the deterioration of health, life or function; or
- (3) for the early screening, prevention, evaluation,

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diagnosis or treatment of a disease, condition, illness or injury."

SECTION 4. A new section of Chapter 59A, Article 23 NMSA 1978 is enacted to read:

"[NEW MATERIAL] PRESCRIPTION DRUG COVERAGE--STEP THERAPY PROTOCOLS--EXCEPTIONS.--

A. Each group or blanket health insurance policy, health care plan and certificate of health insurance delivered or issued for delivery in this state that provides a prescription drug benefit for which any step therapy protocols are required shall provide to each insured and practitioner prescribing a prescription drug subject to a step therapy protocol access to a clear, readily accessible and convenient process to request a step therapy exception determination. An insurer may use its existing medical exceptions process to satisfy this requirement. The process shall be made easily accessible for insureds and practitioners on the insurer's publicly accessible website.

B. An insurer shall expeditiously grant an exception to the health insurance policy's, health care plan's or certificate of insurance's step therapy protocol if:

(1) the prescription drug that is the subject of the exception request is contraindicated or will likely cause an adverse reaction by or physical or mental harm to the patient;

(2) the prescription drug that is the subject of the exception request is expected to be ineffective based on the known clinical characteristics of the patient and the known characteristics of the prescription drug regimen;

(3) while under the insured's current health insurance policy, health care plan or certificate of insurance, or under the insured's previous health coverage, the insured has tried the prescription drug that is the subject of the exception request

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or another prescription drug in the same pharmacologic class or with the same mechanism of action as the prescription drug that is the subject of the exception request and that prescription drug was discontinued due to lack of efficacy or effectiveness, diminished effect or an adverse event;

(4) the prescription drug that is the subject of the exception request is not in the best interest of the patient, based on medical necessity; or

(5) while enrolled in the insured's current health insurance policy, health care plan or certificate of insurance, the insured is stable, or while enrolled in the insured's previous health coverage, the insured was stable, on a prescription drug selected by the insured's practitioner for the medical condition under consideration.

C. Upon the granting of an exception to a health insurance policy, health care plan or certificate of insurance's step therapy protocol, an insurer shall authorize coverage for the prescription drug that is the subject of the exception request.

D. The provisions of this section shall not be construed to prevent:

(1) a health insurance policy, health care plan or certificate of insurance from requiring a patient to try a generic equivalent of a prescription drug before providing coverage for the equivalent brand-name prescription drug; or

(2) a practitioner from prescribing a prescription drug that the practitioner has determined to be medically necessary.

E. The provisions of this section shall apply only to a health insurance policy, health care plan or certificate of insurance delivered, issued for delivery or renewed on or after January 1, 2018.

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F. As used in this section, "medically necessary" means that a prescription drug is appropriate:

- (1) to improve or preserve health, life or function;
- (2) to slow the deterioration of health, life or function; or
- (3) for the early screening, prevention, evaluation, diagnosis or treatment of a disease, condition, illness or injury."

SECTION 5. A new section of the Health Maintenance Organization Law is enacted to read:

"[NEW MATERIAL] PRESCRIPTION DRUG COVERAGE--STEP THERAPY PROTOCOLS--EXCEPTIONS.--

A. Each individual or group health maintenance organization contract delivered or issued for delivery in this state that provides a prescription drug benefit for which any step therapy protocols are required shall provide each enrollee and practitioner prescribing a prescription drug subject to a step therapy protocol access to a clear, readily accessible and convenient process to request a step therapy exception determination. A carrier may use its existing medical exceptions process to satisfy this requirement. The process shall be made easily accessible for enrollees and practitioners on the carrier's publicly accessible website.

B. A carrier shall expeditiously grant an exception to the health maintenance organization contract's step therapy protocol if:

- (1) the prescription drug that is the subject of the exception request is contraindicated or will likely cause an adverse reaction by or physical or mental harm to the patient;
- (2) the prescription drug that is the subject of the exception request is expected to be ineffective based on the known

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clinical characteristics of the patient and the known characteristics of the prescription drug regimen;

(3) while under the enrollee's current health maintenance organization contract, or under the enrollee's previous health coverage, the enrollee has tried the prescription drug that is the subject of the exception request or another prescription drug in the same pharmacologic class or with the same mechanism of action as the prescription drug that is the subject of the exception request and that prescription drug was discontinued due to lack of efficacy or effectiveness, diminished effect or an adverse event;

(4) the prescription drug that is the subject of the exception request is not in the best interest of the patient, based on medical necessity; or

(5) while enrolled in the enrollee's current health maintenance organization contract, the enrollee is stable, or while enrolled in the enrollee's previous health coverage, the enrollee was stable, on a prescription drug selected by the enrollee's practitioner for the medical condition under consideration.

C. Upon the granting of an exception to a health maintenance organization contract's step therapy protocol, a carrier shall authorize coverage for the prescription drug that is the subject of the exception request.

D. The provisions of this section shall not be construed to prevent:

(1) a health maintenance organization contract from requiring a patient to try a generic equivalent of a prescription drug before providing coverage for the equivalent brand-name prescription drug; or

(2) a practitioner from prescribing a prescription drug that the practitioner has determined to be medically necessary.

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E. The provisions of this section shall apply only to a health maintenance organization contract delivered, issued for delivery or renewed on or after January 1, 2018.

F. As used in this section, "medically necessary" means that a prescription drug is appropriate:

- (1) to improve or preserve health, life or function;
- (2) to slow the deterioration of health, life or function; or
- (3) for the early screening, prevention, evaluation, diagnosis or treatment of a disease, condition, illness or injury."

SECTION 6. A new section of the Nonprofit Health Care Plan Law is enacted to read:

"[NEW MATERIAL] PRESCRIPTION DRUG COVERAGE--STEP THERAPY PROTOCOLS--EXCEPTIONS.--

A. Each individual or group nonprofit health care plan contract delivered or issued for delivery in this state that provides a prescription drug benefit for which any step therapy protocols are required shall provide each subscriber and practitioner prescribing a prescription drug subject to a step therapy protocol access to a clear, readily accessible and convenient process to request a step therapy exception determination. A health care plan may use its existing medical exceptions process to satisfy this requirement. The process shall be made easily accessible for subscribers and practitioners on the health care plan's publicly accessible website.

B. A health care plan shall expeditiously grant an exception to the health care plan's step therapy protocol if:

- (1) the prescription drug that is the subject of the

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exception request is contraindicated or will likely cause an adverse reaction by or physical or mental harm to the patient;

(2) the prescription drug that is the subject of the exception request is expected to be ineffective based on the known clinical characteristics of the patient and the known characteristics of the prescription drug regimen;

(3) while under the subscriber's current health care plan, or under the subscriber's previous health coverage, the subscriber has tried the prescription drug that is the subject of the exception request or another prescription drug in the same pharmacologic class or with the same mechanism of action as the prescription drug that is the subject of the exception request and that prescription drug was discontinued due to lack of efficacy or effectiveness, diminished effect or an adverse event;

(4) the prescription drug that is the subject of the exception request is not in the best interest of the patient, based on medical necessity; or

(5) while enrolled in the subscriber's current health care plan, the subscriber is stable, or while enrolled in the subscriber's previous health coverage, the subscriber was stable, on a prescription drug selected by the subscriber's practitioner for the medical condition under consideration.

C. Upon the granting of an exception to a health care plan's step therapy protocol, a health care plan shall authorize coverage for the prescription drug that is the subject of the exception request.

D. The provisions of this section shall not be construed to prevent:

(1) a health care plan from requiring a patient to try a generic equivalent of a prescription drug before providing

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coverage for the equivalent brand-name prescription drug; or

(2) a practitioner from prescribing a prescription drug that the practitioner has determined to be medically necessary.

E. The provisions of this section shall apply only to a health care plan delivered, issued for delivery or renewed on or after January 1, 2018.

F. As used in this section, "medically necessary" means that a prescription drug is appropriate:

(1) to improve or preserve health, life or function;

(2) to slow the deterioration of health, life or function; or

(3) for the early screening, prevention, evaluation, diagnosis or treatment of a disease, condition, illness or injury."

SECTION 7. DELAYED REPEAL.--Sections 1 through 6 of this act are repealed effective July 1, 2021.".,

and thence referred to the **FINANCE COMMITTEE.**

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Respectfully submitted,

SENATOR CLEMENTE SANCHEZ, CHAIRMAN

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 6 For 1 Against

Yes: 6

No: Sharer

Excused: Sanchez

Absent: None

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