

HOUSE BILL No. 1129

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-13-38-1.

Synopsis: Prescription drug formularies. Requires health maintenance organizations to inform each enrollee of the prescription drug benefit plan's benefits and limitations. (The introduced version of this bill was prepared by the interim study committee on health and social service issues.)

Effective: Upon passage.

Crosby, Brown C, Becker, Welch

January 10, 2000, read first time and referred to Committee on Public Health.

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Introduced

Second Regular Session 111th General Assembly (2000)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1999 General Assembly.

HOUSE BILL No. 1129

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 27-13-38-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) A health
3 maintenance organization may apply a formulary to the prescription
4 drug and devices benefits provided by the health maintenance
5 organization if the formulary is developed, reviewed, and updated:
6 (1) in consultation with; and
7 (2) with the approval of;
8 a pharmacy and therapeutics committee, a majority of whose members
9 are licensed physicians.
10 (b) If a health maintenance organization maintains one (1) or more
11 drug and devices formularies, the health maintenance organization
12 shall do the following:
13 (1) Disseminate to participating providers and pharmacists the
14 complete drug and devices formulary or formularies maintained
15 by the health maintenance organization, including a list of the
16 devices and prescription drugs on the formulary by major
17 therapeutic category that specifies whether a particular drug or



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1 device is preferred over other drugs or devices.
 2 (2) Establish and maintain an expeditious process or procedure
 3 that allows an enrollee to obtain, without penalty or additional
 4 cost sharing beyond that provided for in the enrollee's covered
 5 benefits with the health maintenance organization, coverage for
 6 a specific, medically necessary and appropriate ~~nonformulary~~
 7 drug or device without prior approval from the health
 8 maintenance organization.
 9 **(3) Inform the enrollee of the prescription drug benefit plan**
 10 **and any limitations, restrictions, and expenses to be paid by**
 11 **the enrollee.**
 12 (c) A health maintenance organization may not:
 13 (1) void a contract; or
 14 (2) refuse to renew a contract;
 15 between the health maintenance organization and a prescribing
 16 provider because the prescribing provider has prescribed a medically
 17 necessary and appropriate ~~nonformulary~~ drug or device as provided in
 18 subsection (b)(2).
 19 **SECTION 2. An emergency is declared for this act.**

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