

SENATE BILL No. 534

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-8-16; IC 27-8-34; IC 27-13-7-21.

Synopsis: Prescription drug costs. Specifies limitations on certain out of pocket costs for prescription drugs under coverage provided by a state employee health plan, a policy of accident and sickness insurance, and a health maintenance organization contract.

Effective: July 1, 2013.

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January 14, 2013, read first time and referred to Committee on Health and Provider Services.

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First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

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SENATE BILL No. 534



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 5-10-8-16 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2013]: **Sec. 16. (a) As used in this section, "covered individual"**
- 4 **means an individual who is covered under a state employee health**
- 5 **plan.**
- 6 **(b) As used in this section, "state employee health plan" means:**
- 7 **(1) a self-insurance program established under section 7(b) of**
- 8 **this chapter; or**
- 9 **(2) a contract with a prepaid health care delivery plan entered**
- 10 **into under section 7(c) of this chapter.**
- 11 **(c) A copayment or coinsurance amount that applies to coverage**
- 12 **of prescription drugs under a state employee health plan may not**
- 13 **exceed one-twelfth (1/12) of the maximum out of pocket costs**
- 14 **established for coverage provided under a qualified health plan**
- 15 **offered through a health insurance exchange under the federal**
- 16 **Patient Protection and Affordable Care Act (P.L. 111-148).**
- 17 **(d) Out of pocket costs paid by a covered individual for**



1 prescription drugs under a state employee health plan must be
 2 included in any annual limitation that applies to out of pocket costs
 3 generally under the state employee health plan.

4 (e) This section does not require that a state employee health
 5 plan must provide coverage for prescription drugs. This section
 6 does not apply to a state employee health plan that is a qualified
 7 health plan offered through a health insurance exchange under the
 8 federal Patient Protection and Affordable Care Act (P.L. 111-148).

9 (f) This section expires July 1, 2015.

10 SECTION 2. IC 27-8-34 IS ADDED TO THE INDIANA CODE AS
 11 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 12 1, 2013]:

13 **Chapter 34. Prescription Drug Costs**

14 **Sec. 1.** As used in this chapter, "policy of accident and sickness
 15 insurance" has the meaning set forth in IC 27-8-5-1.

16 **Sec. 2.** A copayment or coinsurance amount that applies to
 17 coverage of prescription drugs under a policy of accident and
 18 sickness insurance may not exceed one-twelfth (1/12) of the
 19 maximum out of pocket costs established for coverage provided
 20 under a qualified health plan offered through a health insurance
 21 exchange under the federal Patient Protection and Affordable Care
 22 Act (P.L. 111-148).

23 **Sec. 3.** Out of pocket costs paid by an insured for prescription
 24 drugs under a policy of accident and sickness insurance must be
 25 included in any annual limitation that applies to out of pocket costs
 26 generally under the policy of accident and sickness insurance.

27 **Sec. 4.** This section does not require that a policy of accident and
 28 sickness insurance must provide coverage for prescription drugs.
 29 This section does not apply to a policy of accident and sickness
 30 insurance that is a qualified health plan offered through a health
 31 insurance exchange under the federal Patient Protection and
 32 Affordable Care Act (P.L. 111-148).

33 **Sec. 5.** This chapter expires July 1, 2015.

34 SECTION 3. IC 27-13-7-21 IS ADDED TO THE INDIANA CODE
 35 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 36 1, 2013]: **Sec. 21. (a)** A copayment or coinsurance amount that
 37 applies to coverage of prescription drugs under an individual
 38 contract or a group contract may not exceed one-twelfth (1/12) of
 39 the maximum out of pocket costs established for coverage provided
 40 under a qualified health plan offered through a health insurance
 41 exchange under the federal Patient Protection and Affordable Care
 42 Act (P.L. 111-148).



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1 **(b) Out of pocket costs paid by an enrollee for prescription**
2 **drugs under an individual contract or a group contract must be**
3 **included in any annual limitation that applies to out of pocket costs**
4 **generally under the individual contract or group contract.**
5 **(c) This section does not require that an individual contract or**
6 **a group contract must provide coverage for prescription drugs.**
7 **This section does not apply to an individual contract or a group**
8 **contract that is a qualified health plan offered through a health**
9 **insurance exchange under the federal Patient Protection and**
10 **Affordable Care Act (P.L. 111-148).**
11 **(d) This section expires July 1, 2015.**
12 SECTION 4. [EFFECTIVE JULY 1, 2013] **(a) IC 5-10-8-16, as**
13 **added by this act, applies to a state employee health plan that is**
14 **established, entered into, amended, or renewed after June 30, 2013.**
15 **(b) IC 27-8-34, as added by this act, applies to a policy of**
16 **accident and sickness insurance that is issued, delivered, amended,**
17 **or renewed after June 30, 2013.**
18 **(c) IC 27-13-7-21, as added by this act, applies to an individual**
19 **contract or a group contract that is entered into, delivered,**
20 **amended, or renewed after June 30, 2013.**
21 **(d) This SECTION expires June 30, 2016.**

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