

1 ENGROSSED HOUSE
2 BILL NO. 2606

By: Blackwell of the House

3 and

4 Brecheen of the Senate

5
6 An Act relating to insurance; creating the Continuity
7 of Care Act of 2012; defining terms; specifying act
8 shall be applicable to certain health benefit plans;
9 specifying exceptions; specifying certain
10 prescription medication notice requirements;
11 authorizing the modification of drug benefits;
12 specifying requirements; providing for codification;
13 and providing an effective date.

14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 6850.1 of Title 36, unless there
17 is created a duplication in numbering, reads as follows:

18 Sections 1 through 8 of this act shall be known and may be cited
19 as the "Continuity of Care Act of 2012".

20 SECTION 2. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 6850.2 of Title 36, unless there
22 is created a duplication in numbering, reads as follows:

23 As used in the Continuity of Care Act of 2012:

24 1. "Drug formulary" means a list of drugs:

- a. for which a health benefit plan provides coverage,
- b. for which a health benefit plan issuer approves payment, or
- c. that a health benefit plan issuer encourages or offers incentives for physicians to prescribe;

2. "Enrollee" means an individual who is covered under a group health benefit plan, including a covered dependent;

3. "Physician" means a person licensed as a physician by the State Board of Medical Licensure and Supervision; and

4. "Prescription drug" means:

- a. a substance for which federal or state law requires a prescription before the substance may be legally dispensed to the public,
- b. a drug or device that under federal law is required, before being dispensed or delivered, to be labeled with the statement:

(1) "Caution: federal law prohibits dispensing without prescription" or "Rx only" or another legend that complies with federal law, or

(2) "Caution: federal law restricts this drug to use by or on the order of a licensed veterinarian",
or

1 c. a drug or device that is required by federal or state
2 statute or regulation to be dispensed on prescription
3 or that is restricted to use by a practitioner only.

4 SECTION 3. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 6850.3 of Title 36, unless there
6 is created a duplication in numbering, reads as follows:

7 The Continuity of Care Act of 2012 applies only to a health
8 benefit plan that provides benefits for medical or surgical expenses
9 incurred as a result of a health condition, accident, or sickness,
10 including an individual, group, blanket, or franchise insurance
11 policy or insurance agreement, a group hospital service contract, or
12 a small or large employer group contract or similar coverage
13 document that is offered by:

- 14 1. An insurance company;
- 15 2. A group hospital service corporation;
- 16 3. A fraternal benefit society;
- 17 4. A stipulated premium company;
- 18 5. A reciprocal exchange;
- 19 6. A health maintenance organization;
- 20 7. A multiple employer welfare arrangement; or
- 21 8. An approved nonprofit health corporation.

22 SECTION 4. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 6850.4 of Title 36, unless there
24 is created a duplication in numbering, reads as follows:

1 The Continuity of Care Act of 2012 shall not apply to:

2 1. A health benefit plan that provides coverage:

3 a. only for a specified disease or for another single
4 benefit,

5 b. only for accidental death or dismemberment,

6 c. for wages or payments in lieu of wages for a period
7 during which an employee is absent from work because
8 of sickness or injury,

9 d. as a supplement to a liability insurance policy,

10 e. for credit insurance,

11 f. only for dental or vision care,

12 g. only for hospital expenses, or

13 h. only for indemnity for hospital confinement;

14 2. A Medicare supplemental policy as defined by Section

15 1882(g)(1) of the Social Security Act, 42 U.S.C., Section 1395ss, as
16 amended;

17 3. A workers' compensation insurance policy;

18 4. Medical payment insurance coverage provided under a motor
19 vehicle insurance policy;

20 5. A long-term care insurance policy, including a nursing home
21 fixed indemnity policy, unless the Insurance Commissioner determines
22 that the policy provides benefit coverage so comprehensive that the
23 policy is a health benefit plan; or

24 6. A Medicaid managed care program.

1 SECTION 5. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 6850.5 of Title 36, unless there
3 is created a duplication in numbering, reads as follows:

4 An issuer of a health benefit plan that covers prescription
5 drugs and uses one or more drug formularies to specify the
6 prescription drugs covered under the plan shall:

7 1. Provide in plain language in the coverage documentation
8 provided to each enrollee:

- 9 a. notice that the plan uses one or more drug
10 formularies,
- 11 b. an explanation of what a drug formulary is,
- 12 c. a statement regarding the method the issuer uses to
13 determine the prescription drugs to be included in or
14 excluded from a drug formulary,
- 15 d. a statement of how often the issuer reviews the
16 contents of each drug formulary, and
- 17 e. notice that an enrollee may contact the issuer to
18 determine whether a specific drug is included in a
19 particular drug formulary;

20 2. Disclose to an individual on request, not later than three
21 (3) business days after the date of the request, whether a specific
22 drug is included in a particular drug formulary; and

23 3. Notify an enrollee and any other individual who requests
24 information under this section that the inclusion of a drug in a

1 drug formulary does not guarantee that the health care provider of
2 an enrollee will prescribe that drug for a particular medical
3 condition or mental illness.

4 SECTION 6. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 6850.6 of Title 36, unless there
6 is created a duplication in numbering, reads as follows:

7 A. A health benefit plan issuer may modify drug coverage
8 provided under a health benefit plan if:

9 1. The modification is effective uniformly among all group
10 health benefit plan sponsors covered by identical or substantially
11 identical health benefit plans or all individuals covered by
12 identical or substantially identical individual health benefit
13 plans, as applicable; and

14 2. No later than one hundred twenty (120) days before the date
15 the modification is effective, the issuer provides written or
16 electronic notice of the modification to the Insurance Commissioner,
17 each affected group health benefit plan sponsor, each affected
18 enrollee in an affected group health benefit plan, and each affected
19 individual health benefit plan holder.

20 B. Modifications affecting drug coverage that require notice
21 under subsection A of this section include:

22 1. Removing a drug from a formulary;

23 2. Adding a requirement that an enrollee receive prior
24 authorization for a drug;

