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## **OLR Bill Analysis**

### **SB 357**

#### ***AN ACT CONCERNING COPAY ACCUMULATOR PROGRAMS AND HIGH DEDUCTIBLE HEALTH PLANS.***

#### **SUMMARY**

This bill applies the state's copay accumulator program prohibition (see BACKGROUND) to high deductible health plans (HDHPs) to the maximum extent permitted by federal law. It applies it to HDHPs that are used to establish a health savings account (HSA), medical savings account (MSA), or Archer MSA to the maximum extent permitted by federal law and that does not disqualify the insured from receiving the associated federal tax benefits.

Under federal law, an HDHP is a health plan that satisfies certain requirements, including those related to minimum deductibles and maximum out-of-pocket expenses. Individuals with eligible HDHPs may make pre-tax contributions to an HSA, MSA, or Archer MSA and use the account for qualified medical expenses.

According to the Internal Revenue Service (IRS), an individual covered by an HDHP who also uses a discount card for health care services or products, may still contribute to an HSA as long as the individual must pay the costs of the covered health care until the HDHP's minimum annual deductible is satisfied (IRS Notice 2021-0014).

**EFFECTIVE DATE:** Upon passage, and applicable to policies or contracts delivered, issued, renewed, amended, or continued on or after January 1, 2022.

#### **BACKGROUND**

##### ***Copay Accumulator Program Prohibition***

PA 21-14, which took effect January 1, 2022, requires certain health carriers (e.g., insurers and HMOs) and pharmacy benefits managers,

when calculating a covered individual's cost sharing liability (e.g., coinsurance, copayment, or deductible) for a covered benefit, to credit discounts provided and payments made by a third party for any portion of the cost sharing. Thus, it prohibits copay accumulator programs, under which drug manufacturer discount cards, coupons, and copay assistance generally do not apply toward a covered individual's cost sharing responsibility.

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable

Yea 17 Nay 0 (03/22/2022)