

## Insurance and Real Estate Committee JOINT FAVORABLE REPORT

**Bill No.:** HB-5386

AN ACT CONCERNING HEALTH INSURANCE COVERAGE FOR

**Title:** EPINEPHRINE CARTRIDGE INJECTORS.

**Vote Date:** 3/22/2022

**Vote Action:** Joint Favorable Substitute

**PH Date:** 3/15/2022

**File No.:** 374

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### SPONSORS OF BILL:

Insurance and Real Estate Committee

### REASONS FOR BILL:

Patient with severe allergies are paying high, out-of-pocket costs for epinephrine cartridge injectors and due to the need to have multiple auto injectors, these costs are compounded. This bill provides that certain individual and group health insurance policies shall limit copays for epinephrine cartridge injector \$25.

#### Proposed Substitute Language:

The new language added sections 3 and 4, which were both included in a nearly identical bill from the 2021 session. These new sections require that PBMs who use a tiered prescription drug formulary, are required to include at least one covered epinephrine cartridge injector in the cost-sharing tier that imposes the lowest coinsurance, copayment, deductible or other out of pocket expense.

### RESPONSE FROM ADMINISTRATION/AGENCY:

Connecticut Insurance Department – **Opposes** this bill because it may be labeled as a mandate. Under the ACA, Essential Health Benefits are those mandated benefits that states enacted on or before December 31, 2011. The state is required to defray the cost of any new mandated benefit or expanded benefit added after this date. Section 1311(d)(3)(B) of the ACA permits a state to require Qualified Health Plans, which are sold through the Exchange. If these items are determined to be mandates, then the federal subsidy would not cover that portion of the premium, the carriers would remove the cost of the mandate from their premium, and the State would reimburse the carriers for the mandated premium.

Ted Doolittle, Office of the Healthcare Advocate – **Supports** this bill because it will help CT families to afford lifesaving drugs. Similar to P.A. 20-4, this bill would establish a cap of \$25 for policyholders who need to acquire an epinephrine cartridge injector (ECI) through their insurance plan. As with insulin, the cost of these widely available life-saving devices has ballooned beyond the reach of a large segment of the population who needs them, due to ongoing market failures in the pharmaceutical industry and the absence of federal interventions to correct those market failures and impose reasonable cost controls. Furthermore, even when a health insurance policy provides coverage for ECIs, the costs are often passed along to the consumer through high deductibles or other cost-sharing requirements.

OHA believes that the health benefits of a copay cap would far outweigh any impact on insurance premiums, as the consequences to consumers who could not afford an ECI could be catastrophic. However, states that this bill would act as a temporary band aide for the high cost of healthcare. Additional structural reforms are necessary long-term savings to consumers.

#### **NATURE AND SOURCES OF SUPPORT:**

Mary Cary – **Supports** this bill. She details her son's need for epi auto injectors and details the expense that comes with his allergies in order to keep him safe.

Chris Creter – **Supports** this bill. She details the costs involved with having to obtain epi auto injectors to keep her son safe.

Patricia Donovan – **Supports** this bill. She details the high cost of epi auto injectors for her two children and her experience as a food allergy parent.

Audrey Rossignol – **Supports** this bill. She details her experience as a college student and young professional unable to afford her healthcare costs, instead being forced to carry expired auto injectors in order to protect her health.

Pat Schroeder – **Supports** a cap for copay on epi auto injectors because it will make life saving medicine for her child more affordable.

Dr. Elizabeth Vargas – **Supports** a cap on copay for epi auto injectors because it will help her patients afford lifesaving medicine.

Nicole Merlo-White – **Supports** placing a cap on the cost of an Epi-Pen because of her experience with the high cost of her child's allergies.

#### **NATURE AND SOURCES OF OPPOSITION:**

Connecticut Association of Health Plans – **opposes** this bill because it doesn't address the underlying costs of drug manufacturing prices. They also claim that it will have a detrimental effect on the r rate filings under the affordable care act.

Sam Hallemeier, Director of State Affairs for the Pharmaceutical Care Management Association (PCMA) – **Opposes** this bill. They argue that capping the cost of copays for epi

auto injectors will lead to a price increase on health plan premiums to make up the difference. They suggest that the manufacturers lower the cost of their products in order to make the product more affordable to consumers.

David Godbout – **Opposes** this bill.

**Reported by: Alexander Pachkovsky**

**Date: 4/1/22**