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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. **348**

01/17/2023 Authored by Howard, Pérez-Vega, Stephenson, Frazier, Bierman and others
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
02/15/2023 Adoption of Report: Amended and re-referred to the Committee on Health Finance and Policy
03/06/2023 Adoption of Report: Re-referred to the Committee on State and Local Government Finance and Policy
03/15/2023 Adoption of Report: Re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to insurance; limiting cost-sharing for prescription drugs and related
1.3 medical supplies to treat chronic disease; amending Minnesota Statutes 2022,
1.4 sections 256B.0631, subdivision 1; 256L.03, subdivision 5; proposing coding for
1.5 new law in Minnesota Statutes, chapter 62Q.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. **[62Q.481] COST-SHARING FOR PRESCRIPTION DRUGS AND**
1.8 **RELATED MEDICAL SUPPLIES TO TREAT CHRONIC DISEASE.**

1.9 Subdivision 1. **Cost-sharing limits.** (a) A health plan must limit the amount of any
1.10 enrollee cost-sharing for prescription drugs prescribed to treat a chronic disease to no more
1.11 than \$25 per one-month supply for each prescription drug regardless of the amount or type
1.12 of medication required to fill the prescription and to no more than \$50 per month in total
1.13 for all related medical supplies. The cost-sharing limit for related medical supplies does not
1.14 increase with the number of chronic diseases for which an enrollee is treated. Coverage
1.15 under this section shall not be subject to any deductible.

1.16 (b) If application of this section before an enrollee has met their plan's deductible would
1.17 result in: (1) health savings account ineligibility under United States Code, title 26, section
1.18 223; or (2) catastrophic health plan ineligibility under United States Code, title 42, section
1.19 18022(e), then this section shall apply to that specific prescription drug or related medical
1.20 supply only after the enrollee has met their plan's deductible.

1.21 Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions apply.

1.22 (b) "Chronic disease" means diabetes, asthma, and allergies requiring the use of
1.23 epinephrine auto-injectors.

2.1 (c) "Cost-sharing" means co-payments and coinsurance.

2.2 (d) "Related medical supplies" means syringes, insulin pens, insulin pumps, test strips,
2.3 glucometers, continuous glucose monitors, epinephrine auto-injectors, asthma inhalers, and
2.4 other medical supply items necessary to effectively and appropriately treat a chronic disease
2.5 or administer a prescription drug prescribed to treat a chronic disease.

2.6 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to health
2.7 plans offered, issued, or renewed on or after that date.

2.8 Sec. 2. Minnesota Statutes 2022, section 256B.0631, subdivision 1, is amended to read:

2.9 Subdivision 1. **Cost-sharing.** (a) Except as provided in subdivision 2, the medical
2.10 assistance benefit plan shall include the following cost-sharing for all recipients, ~~effective~~
2.11 ~~for services provided on or after September 1, 2011:~~

2.12 (1) \$3 per nonpreventive visit, except as provided in paragraph (b). For purposes of this
2.13 subdivision, a visit means an episode of service which is required because of a recipient's
2.14 symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting
2.15 by a physician or physician assistant, chiropractor, podiatrist, nurse midwife, advanced
2.16 practice nurse, audiologist, optician, or optometrist;

2.17 (2) \$3.50 for nonemergency visits to a hospital-based emergency room, except that this
2.18 co-payment shall be increased to \$20 upon federal approval;

2.19 (3) \$3 per brand-name drug prescription, \$1 per generic drug prescription, and \$1 per
2.20 prescription for a brand-name multisource drug listed in preferred status on the preferred
2.21 drug list, subject to a \$12 per month maximum for prescription drug co-payments. No
2.22 co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness;

2.23 (4) a family deductible equal to \$2.75 per month per family and adjusted annually by
2.24 the percentage increase in the medical care component of the CPI-U for the period of
2.25 September to September of the preceding calendar year, rounded to the next higher five-cent
2.26 increment; ~~and~~

2.27 (5) total monthly cost-sharing must not exceed five percent of family income. For
2.28 purposes of this paragraph, family income is the total earned and unearned income of the
2.29 individual and the individual's spouse, if the spouse is enrolled in medical assistance and
2.30 also subject to the five percent limit on cost-sharing. This paragraph does not apply to
2.31 premiums charged to individuals described under section 256B.057, subdivision 9; and

3.1 (6) cost-sharing for prescription drugs and related medical supplies to treat chronic
3.2 disease must comply with the requirements of section 62Q.481.

3.3 (b) Recipients of medical assistance are responsible for all co-payments and deductibles
3.4 in this subdivision.

3.5 (c) Notwithstanding paragraph (b), the commissioner, through the contracting process
3.6 under sections 256B.69 and 256B.692, may allow managed care plans and county-based
3.7 purchasing plans to waive the family deductible under paragraph (a), clause (4). The value
3.8 of the family deductible shall not be included in the capitation payment to managed care
3.9 plans and county-based purchasing plans. Managed care plans and county-based purchasing
3.10 plans shall certify annually to the commissioner the dollar value of the family deductible.

3.11 (d) Notwithstanding paragraph (b), the commissioner may waive the collection of the
3.12 family deductible described under paragraph (a), clause (4), from individuals and allow
3.13 long-term care and waived service providers to assume responsibility for payment.

3.14 (e) Notwithstanding paragraph (b), the commissioner, through the contracting process
3.15 under section 256B.0756 shall allow the pilot program in Hennepin County to waive
3.16 co-payments. The value of the co-payments shall not be included in the capitation payment
3.17 amount to the integrated health care delivery networks under the pilot program.

3.18 **EFFECTIVE DATE.** This section is effective January 1, 2024.

3.19 Sec. 3. Minnesota Statutes 2022, section 256L.03, subdivision 5, is amended to read:

3.20 Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to
3.21 children under the age of 21 and to American Indians as defined in Code of Federal
3.22 Regulations, title 42, section 600.5.

3.23 (b) The commissioner shall adjust co-payments, coinsurance, and deductibles for covered
3.24 services in a manner sufficient to maintain the actuarial value of the benefit to 94 percent.
3.25 The cost-sharing changes described in this paragraph do not apply to eligible recipients or
3.26 services exempt from cost-sharing under state law. The cost-sharing changes described in
3.27 this paragraph shall not be implemented prior to January 1, 2016.

3.28 (c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements
3.29 for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations,
3.30 title 42, sections 600.510 and 600.520.

3.31 (d) Cost-sharing for prescription drugs and related medical supplies to treat chronic
3.32 disease must comply with the requirements of section 62Q.481.

4.1 **EFFECTIVE DATE.** This section is effective January 1, 2024.