

HEALTH AND HUMAN SERVICES

Resolution HHS-20-49

A RESOLUTION ON REDUCING PATIENT OUT OF POCKET COST ON PRESCRIPTION MEDICATION

WHEREAS, some people with chronic conditions such as diabetes or asthma continue to face challenges affording their medication and overall health care;

WHEREAS, there are now insurance plans with a \$7,000 deductible for individuals and \$15,000 for families, and 1 in 5 have deductibles of more than \$3,000 for individuals and \$5,000 for families;

WHEREAS, in a recent survey by Kaiser Family Foundation, they found that half of all Americans with coverage either delayed or skipped medical or dental care because of the cost;

WHEREAS, for people under age 65 with commercial insurance, enrollment in high deductible health plans (HDHPs) has increased from 22.4% in 2009 to 46% in 2018;

WHEREAS, HDHPs require patients to incur the full cost of some prescription medications before their plan deductible is met, meaning they often pay the full retail price out-of-pocket (OOP) before they meet their deductible and the health plan starts helping them pay for certain medicines;

WHEREAS, patients are not guaranteed to directly benefit from the rebates and discounts drug manufacturers provide to health plans and Pharmacy Benefit Managers (PBM) in the form of lower OOP costs at the pharmacy counter;

WHEREAS, when a health plan exempts a health care services for certain services from the deductible, known as first dollar coverage, many OOP expenses for patients are eliminated or limited to a copay or coinsurance;

WHEREAS, first dollar coverage is an effective way for health plans to help people with chronic diseases such as diabetes manage their health and their OOP costs – especially people enrolled in HDHPs;

WHEREAS, when a patient's OOP costs are lower and health care expenses are more consistent throughout the year, medicine adherence rates increase, resulting in better patient health outcomes; and

WHEREAS, the Internal Revenue Service (IRS) issued guidance in July of 2019 that includes medicines that HDHPs with a health savings account (HSA-HDHPs) may consider as preventive and exempt from the deductible (provide first dollar coverage for), which enables states to legislate or regulate certain aspects of HSA-HDHPs.

THEREFORE BE IT RESOLVED, that the National Black Caucus of State Legislators (NBCSL) encourages state legislators to explore legislation that will help patients who are struggling to afford their medication;

HEALTH AND HUMAN SERVICES

Resolution HHS-20-49

BE IT FURTHER RESOLVED, that the NBCSL legislators to research the fiscal impact of state regulated health plans providing first dollar coverage for medicines to treat chronic diseases, such as diabetes; requiring state-regulated health plans and/or PBMs to pass through a majority of manufacturer rebates and discounts to patients at the pharmacy counter, and; ensuring that health plans do not charge patients more OOP for insulin than the net cost of the drug to the health plan;

BE IT FURTHER RESOLVED, that the NBCSL believes that high deductible plans should be limited, so that healthcare can truly be affordable for Americans; and

BE IT FINALLY RESOLVED, that a copy of this resolution be transmitted to the President of the United States, the Vice President of the United States, members of the United States House of Representatives and the United States Senate, and other federal and state government officials and agencies as appropriate.

SPONSOR: Representative David Mack, III (SC)

Committee of Jurisdiction: Health and Human Services Policy Committee

Certified by Committee Co-Chair: Representative David J. Mack, III (SC)

Ratified in Plenary Session: Ratification Date is December 6, 2019

Ratification is certified by: Representative Gilda Cobb-Hunter (SC), President