

Candice B. Pierucci proposes the following substitute bill:

Health Insurance Modifications

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Candice B. Pierucci

Senate Sponsor:

LONG TITLE

General Description:

This bill enacts provisions related to health insurance.

Highlighted Provisions:

This bill:

- defines terms;
- requires an insurer to calculate drug or device discount coupons on behalf of an individual towards the individual's cost sharing requirement unless certain circumstances are met;
- requires a entity that provides a drug or device discount coupon to allow the full amount of the coupon amount to be used for the drug or device; and
- provides an exception to the requirements for a qualifying health benefit plan.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

31A-22-662, Utah Code Annotated 1953

31A-48-104, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **31A-22-662** is enacted to read:

31A-22-662 . Cost sharing requirements for health benefit plans.

(1) As used in this section:

- (a) "Biosimilar" means a biological product, as defined in 42 U.S.C. Sec. 262, that is highly similar to another biological product.

- 29 (b)(i) "Cost sharing requirement" means any copayment, coinsurance, deductible, or
30 annual limitation on cost sharing required by a health benefit plan for a specific
31 health care service covered by the health benefit plan.
- 32 (ii) "Cost sharing requirement" includes any copayment, coinsurance, deductible, or
33 annual limitation that is subject to 42 U.S.C. Sec. 18022(c) or 300gg-6(b).
- 34 (c) "Qualifying health benefit plan" means a health benefit plan that:
- 35 (i) allows the full value of available copay assistance to reduce the out-of-pocket
36 costs of an enrollee;
- 37 (ii) includes, when two or more individuals are covered, an individual maximum
38 out-of-pocket that is not greater than 50% of the health benefit plan's combined
39 total maximum out-of-pocket for family coverage;
- 40 (iii) after the deductible has been met, only requires payment by the enrollee at the
41 equivalent of the plan's lowest payment tier for any drug that has been subject to
42 copay assistance and that copay assistance has been exhausted; and
- 43 (iv) for a covered lower cost drug that an enrollee is required to take under the plan
44 instead of a covered higher cost drug for which copay assistance reduces the
45 enrollee's out-of-pocket costs to a negligible amount, the plan:
- 46 (A) only requires payment by the enrollee of the preferred drug at the equivalent
47 of the plan's lowest payment tier; and
- 48 (B) may share cost savings due to the lower cost drug with the enrollee, including
49 while the enrollee is subject to a deductible.
- 50 (2) Except as provided in Subsection (3), when calculating an enrollee's contribution to any
51 applicable cost sharing requirement for a covered prescription drug or device, an insurer
52 shall include any cost sharing amounts paid:
- 53 (a) by the enrollee; or
- 54 (b) using a drug discount coupon.
- 55 (3) An insurer may refuse to apply a drug discount coupon to an enrollee's applicable cost
56 sharing requirement for the drug or device that is eligible for the drug discount coupon if:
- 57 (a) the drug or device that is eligible for the drug discount coupon has:
- 58 (i) a generic alternative; or
- 59 (ii) a biosimilar that:
- 60 (A) has been approved by the federal Food and Drug Administration to treat the
61 enrollee's condition;
- 62 (B) is not eligible for a drug discount coupon; and

63 (C) is subject to the health benefit plan's lowest copay tier for biologic products; or
64 **(b) the enrollee has not obtained a necessary approval from the health benefit plan to**
65 **have the drug covered by the health benefit plan or has not completed the necessary**
66 **requirements, restrictions, or clinical criteria to obtain the approval.**

67 **(4) This section:**

68 **(a) applies to any health benefit plan entered into, amended, extended, or renewed on or**
69 **after July 1, 2026; and**

70 **(b) does not apply to a qualifying health benefit plan.**

71 **(5) The commissioner may make rules in accordance with Title 63G, Chapter 3, Utah**
72 **Administrative Rulemaking Act, to implement this section.**

73 **(6) The department shall enforce this section within existing appropriations.**

74 Section 2. Section **31A-48-104** is enacted to read:

75 **31A-48-104 . Drug discount coupon requirements.**

76 **(1) As used in this section, "cost sharing requirement" means the same as that term is**
77 **defined in Section 31A-22-662.**

78 **(2) A pharmaceutical manufacturer or other entity that provides a drug discount coupon**
79 **with the expectation that the drug discount coupon will be applied toward an enrollee's**
80 **cost sharing requirement:**

81 **(a) shall allow an insurer, complying with Section 31A-22-662, to utilize the full value**
82 **of the drug discount coupon:**

83 **(i) first to reduce the enrollee's cost sharing requirement, including the enrollee's**
84 **maximum out-of-pocket expense, at the point of sale; and**

85 **(ii) for any remainder, to lower the cost of the prescription drug or device;**

86 **(b) shall disclose to the insurer the terms and conditions associated with the drug**
87 **discount coupon at least 12 months before a drug discount coupon is issued; and**

88 **(c) may not modify the terms and conditions associated with the drug discount coupon**
89 **on the basis that it is redeemed by an enrollee of the health benefit plan that is**
90 **complying with Section 31A-22-662.**

91 **(3) The department shall enforce this section within existing appropriations.**

92 Section 3. **Effective Date.**

93 This bill takes effect on May 7, 2025.