

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1614

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 27, 2022

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 1614.

As amended, this bill places a flat cap on the out-of-pocket contribution for any covered person prescribed a rapid-acting, long-acting, or pre-mixed insulin product, an epinephrine auto-injector device, or a prescription asthma inhaler across insurance providers. Coverage for these items may not be subject to any deductible, and copayments or coinsurance are capped at \$35 per 30-day supply of insulin, \$25 for epinephrine auto-injector devices per 30-day supply, and \$50 for prescription asthma inhalers per 30-day supply.

These coverage standards apply to individual or group hospital service corporations, medical service corporations, and health service corporations as well as individual and group health insurance policies and health maintenance organizations. Additionally, the bill extends these coverage standards to individual and small employer health benefits plans and require that the State Health Benefits Commission and the School Employees' Health Benefits Commission ensure that their contracts comply with the coverage standards.

As amended and reported, this bill is identical to Assembly Bill No. 2839 (1R).

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- (1) specify that coverage for insulin under the bill means rapid acting, long-acting, and pre-mixed insulin products; and
- (2) require that the provisions of the bill apply to catastrophic plans to the maximum extent permitted by federal law.

FISCAL IMPACT:

This Office of Legislative Services (OLS) concludes the bill will result in an indeterminate annual increase in the cost of prescription drug plans provided to public employees by local governments and school districts to the extent that current plans exceed the limits specified in the bill. The OLS cannot estimate the cost because the coverage requirements in all the plans provided to public employees is not known and the number of prescriptions for insulin, an epinephrine

auto-injector device, or a prescription asthma inhaler also is not known. In addition, the extent to which the employers and employees will cover these increased costs through premium sharing is not known.

This bill will apply to local governments that participate in the State Health Benefits Program (SHBP) and to school districts that participate in the School Employees' Health Benefits Program (SEHBP). It will also apply to those local government and school district employers that purchase prescription drug plans outside of the programs.

The bill likely will have no impact on the State General Fund given the current coverage in the prescription drug plans in the SHBP for State employees.