

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

**SENATE, No. 1614**

# **STATE OF NEW JERSEY**

DATED: JUNE 22, 2023

The Assembly Appropriations Committee reports favorably Senate Bill No. 1614 (1R).

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 reported by the committee, Senate Bill No. 1614 (1R) is identical to Assembly Bill No. 2839 (1R), which also was reported by the committee on this same date.

### FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that 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 is not known. In addition, the extent to which the employers and employees will cover these increased costs through premium sharing is not known.

The bill applies 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 program.

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.