



Legislative Council Staff

Research Note

Version: Final

Date: 5/1/2017

Bill Number

Senate Bill 17-203

Sponsors

**Senator Todd
Representatives Covarrubias &
Kennedy**

Short Title

***Prohibit Carrier From Requiring
Alternative Drug***

Research Analyst

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Status

This research note reflects the final version of the bill which becomes effective September 1, 2017 assuming no referendum petition is filed.

Background

“Step therapy” is an insurance carrier protocol that requires an insured person to use a prescription drug, or sequence of prescription drugs, other than the drug recommended by a physician, prior to the carrier providing coverage for the recommended drug. Insurers use this protocol for some medications to ensure the safety and effectiveness of certain drugs for patients. Protocols are generally based on treatment guidelines, clinical studies, and cost. The bill prohibits carriers from requiring step therapy in certain circumstances.

Senate Action

Senate Business, Labor, and Technology Committee (March 15, 2017). At the hearing, representatives from the Multiple Sclerosis Society, Rx Plus Pharmacy, the Chronic Care Collaborative, and several private citizens testified in support of the bill. Representatives from the Colorado Pharmacists Society, Colorado Association of Health Plans, Denver Health Medical Plan, and American’s Health Insurance Plans spoke in opposition to the bill.

The committee adopted amendment L.013 and referred the bill, as amended, to the Senate Committee of the Whole. Amendment L.013 removed an override process from the bill as well as the specification that step therapy not be required of a person being treated for a terminal illness.

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Senate second reading (March 21, 2017). The Senate adopted the Senate Business, Labor, and Technology committee report and Amendment No. 2. Amendment No. 2 strikes the committee report and amends the bill to permit patients to skip required drugs if the patient's prior use of the drug was discontinued and permits carriers to request supporting documentation from the patient or provider. The amendment also removed the specification that step therapy not be required of a person being treated for a terminal illness. The Senate passed the bill on second reading, as amended.

Senate third reading (March 22, 2017). The Senate passed the bill on third reading with no amendments.

House Action

House Health, Insurance, and Environment Committee (April 11, 2017). At the hearing, representatives from the Multiple Sclerosis Society, the Chronic Care Collaborative, and the Arthritis Foundation testified in support of the bill. Representatives from the Colorado Association of Health Plans, Express Scripts, and CVS Health testified in opposition to the bill if amended.

The committee adopted amendment L.019 and referred the bill, as amended, to the House Committee of the Whole. Amendment L.019 requires an override process if a carrier requires step therapy and prohibits step therapy as a requirement of a prior authorization process. The amendment also clarifies that step therapy requirements are subject to an appeals process.

House Second Reading (April 13, 2017). The House adopted the House Health, Insurance, and Environment Committee report. The House passed the bill on second reading as amended.

House Third Reading (April 18, 2017). The House passed the bill on third reading with no amendments.