

**First Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO**

**REVISED**

*This Version Includes All Amendments Adopted  
on Second Reading in the Second House*

LLS NO. 23-0913.01 Christy Chase x2008

**SENATE BILL 23-195**

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**SENATE SPONSORSHIP**

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**Senate Committees**

Health & Human Services  
Appropriations

**House Committees**

Public & Behavioral Health & Human Services  
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**A BILL FOR AN ACT**

101      **CONCERNING THE CALCULATION OF CONTRIBUTIONS TOWARD AN**  
102                    **INSURED'S REQUIRED COST SHARING UNDER A HEALTH BENEFIT**  
103                    **PLAN.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

The bill requires a health insurer or pharmacy benefit manager to include in the calculation of a covered person's contributions toward cost-sharing requirements, including any annual limitation on a covered person's out-of-pocket costs, any payments made by or on behalf of the covered person.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.*  
*Dashes through the words or numbers indicate deletions from existing law.*

HOUSE  
Amended 2nd Reading  
April 26, 2023

SENATE  
3rd Reading Unamended  
April 19, 2023

SENATE  
Amended 2nd Reading  
April 18, 2023

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1. Legislative declaration.** (1) The general assembly  
3 finds and declares that:

4           (a) Cost-sharing assistance is indispensable in helping many  
5 patients with rare, serious, and chronic diseases afford out-of-pocket costs  
6 for their essential, often life-saving, medications;

7           (b) Patients need cost-sharing assistance because of the high  
8 out-of-pocket cost of medications;

9           (c) When patients face unexpected charges during the plan year,  
10 they are less likely to adhere to their medication regimen;

11           (d) Lack of patient adherence to their necessary medication  
12 regimen leads to potential negative health consequences for patients, such  
13 as unnecessary emergency room visits, doctors' visits, surgeries, and other  
14 interventions;

15           (e) Patients are only able to use cost-sharing assistance after they  
16 have met requirements for coverage of their medication, which  
17 requirements can include that the medication is included on the drug  
18 formulary in the patient's health benefit plan and compliance with  
19 utilization management protocols, such as prior authorization and step  
20 therapy;

21           (f) Health insurers and pharmacy benefit managers (PBMs) have  
22 implemented programs, such as accumulator adjustment programs, that  
23 restrict the applicability of cost-sharing assistance toward a deductible or  
24 an annual out-of-pocket limit under a patient's health benefit plan;

25           (g) As a result of an accumulator adjustment program, a patient  
26 is required to continue to make out-of-pocket payments, even if the

1 patient would have reached the out-of-pocket limit if amounts received  
2 through cost-sharing assistance were counted toward the out-of-pocket  
3 limit under the patient's health benefit plan;

4 (h) By excluding cost-sharing assistance from a patient's  
5 deductible and annual out-of-pocket limit, an accumulator adjustment  
6 program makes the patient responsible for paying the full deductible  
7 under the patient's plan and for meeting the annual out-of-pocket limit for  
8 a second time, thus limiting or eliminating the benefit the patient receives  
9 from a cost-sharing assistance program;

10 (i) Most patients are not aware of the inclusion of accumulator  
11 adjustment programs in their health benefit plans and often learn about  
12 these types of programs when they attempt to obtain their medication  
13 after their cost-sharing assistance has been exhausted, whether at a  
14 pharmacy, an infusion center, or at home through the mail; and

15 (j) Accumulator adjustment programs allow health insurers and  
16 PBMs to "double dip" by accepting funds from both the cost-sharing  
17 assistance program and the patient beyond the original deductible amount  
18 and the annual out-of-pocket limit.

19 (2) Therefore, the general assembly declares it a matter of public  
20 interest to require health insurers and PBMs to count any amount paid by  
21 the patient or on behalf of the patient by another person, including  
22 through a cost-sharing assistance program, toward the patient's annual  
23 out-of-pocket limit and any cost-sharing requirement, such as deductibles,  
24 under the patient's health benefit plan.

25 **SECTION 2.** In Colorado Revised Statutes, **add** 10-16-158 as  
26 follows:

27 **10-16-158. Calculation of contribution to out-of-pocket and**

1 **cost-sharing requirements - exception - definitions - rules.**

2 (1) (a) WHEN CALCULATING A COVERED PERSON'S OVERALL  
3 CONTRIBUTION TO AN OUT-OF-POCKET MAXIMUM OR COST-SHARING  
4 REQUIREMENT UNDER THE COVERED PERSON'S HEALTH BENEFIT PLAN, A  
5 CARRIER OR PBM SHALL INCLUDE ANY AMOUNT PAID BY THE COVERED  
6 PERSON OR BY ANOTHER PERSON ON BEHALF OF THE COVERED PERSON FOR  
7 A PRESCRIPTION DRUG IF:

8 (I) THE PRESCRIPTION DRUG DOES NOT HAVE A GENERIC  
9 EQUIVALENT OR, FOR A PRESCRIPTION DRUG THAT IS A BIOLOGICAL  
10 PRODUCT, THE PRESCRIPTION DRUG DOES NOT HAVE A BIOSIMILAR DRUG,  
11 AS DEFINED IN 42 U.S.C. SEC. 262 (i)(2), OR AN INTERCHANGEABLE  
12 BIOLOGICAL PRODUCT, AS DEFINED IN 42 U.S.C. SEC. 262 (i)(3); OR

13 (II) THE PRESCRIPTION DRUG HAS A GENERIC EQUIVALENT, A  
14 BIOSIMILAR DRUG, OR AN INTERCHANGEABLE BIOLOGICAL PRODUCT, AND  
15 THE COVERED PERSON IS USING THE BRAND-NAME PRESCRIPTION DRUG  
16 AFTER:

17 (A) OBTAINING PRIOR AUTHORIZATION FROM THE CARRIER OR  
18 PHARMACY BENEFIT MANAGER;

19 (B) COMPLYING WITH A STEP-THERAPY PROTOCOL REQUIRED BY  
20 THE CARRIER OR PHARMACY BENEFIT MANAGER; OR

21 (C) RECEIVING APPROVAL FROM THE CARRIER OR PHARMACY  
22 BENEFIT MANAGER THROUGH THE CARRIER'S OR PHARMACY BENEFIT  
23 MANAGER'S EXCEPTIONS, APPEAL, OR REVIEW PROCESS.

24 (b) A COVERED PERSON IS NOT REQUIRED TO COMPLY WITH THE  
25 UTILIZATION MANAGEMENT PROCESSES DESCRIBED IN SUBSECTION  
26 (1)(a)(II) OF THIS SECTION, INCLUDING PRIOR AUTHORIZATION AND  
27 STEP-THERAPY PROTOCOL REQUIREMENTS, WHEN THOSE PROCESSES ARE

1 PROHIBITED UNDER THIS ARTICLE 16 OR OTHER APPLICABLE STATE LAW.

2 (2) IF APPLICATION OF SUBSECTION (1) OF THIS SECTION WOULD  
3 MAKE A COVERED PERSON'S HEALTH SAVINGS ACCOUNT CONTRIBUTIONS  
4 INELIGIBLE UNDER SECTION 223 OF THE FEDERAL "INTERNAL REVENUE  
5 CODE OF 1986", 26 U.S.C. SEC. 223, AS AMENDED, SUBSECTION (1) OF THIS  
6 SECTION APPLIES TO THE DEDUCTIBLE APPLICABLE TO THE COVERED  
7 PERSON'S HEALTH BENEFIT PLAN AFTER THE COVERED PERSON HAS  
8 SATISFIED THE MINIMUM DEDUCTIBLE AMOUNT UNDER 26 U.S.C. SEC. 223;  
9 EXCEPT THAT, WITH RESPECT TO ITEMS OR SERVICES THAT ARE  
10 PREVENTIVE CARE PURSUANT TO 26 U.S.C. SEC. 223 (c)(2)(C),  
11 SUBSECTION (1) OF THIS SECTION APPLIES, REGARDLESS OF WHETHER THE  
12 MINIMUM DEDUCTIBLE UNDER 26 U.S.C. SEC. 223 HAS BEEN SATISFIED.

13 (3) THE COMMISSIONER MAY ADOPT RULES AS NECESSARY TO  
14 IMPLEMENT THIS SECTION.

15 (4) AS USED IN THIS SECTION, "COST-SHARING REQUIREMENT"  
16 MEANS ANY COPAYMENT, COINSURANCE, DEDUCTIBLE, OR ANNUAL  
17 LIMITATION ON COST SHARING, INCLUDING A LIMITATION SUBJECT TO 42  
18 U.S.C. SEC. 18022 (c) OR 42 U.S.C. SEC. 300gg-6 (b), REQUIRED BY OR ON  
19 BEHALF OF A COVERED PERSON IN ORDER TO RECEIVE \_\_\_ A PRESCRIPTION  
20 DRUG \_\_\_ COVERED BY THE COVERED PERSON'S HEALTH BENEFIT PLAN,  
21 WHETHER COVERED AS A MEDICAL OR PHARMACY BENEFIT.

22 **SECTION 3. Act subject to petition - effective date -**  
23 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following  
24 the expiration of the ninety-day period after final adjournment of the  
25 general assembly; except that, if a referendum petition is filed pursuant  
26 to section 1 (3) of article V of the state constitution against this act or an  
27 item, section, or part of this act within such period, then the act, item,

1 section, or part will not take effect unless approved by the people at the  
2 general election to be held in November 2024 and, in such case, will take  
3 effect on the date of the official declaration of the vote thereon by the  
4 governor.

5 (2) This act applies to health benefit plans issued or renewed on  
6 or after January 1, 2025.