

## EXTERNAL - FAQs

### SENATE BILL (SB) 1021 – COPAYMENT LIMITS TO RETAIL PRESCRIPTION DRUG PRICING

#### BACKGROUND

SB 1021 extended the sunset date for AB 339 (Healthcare Coverage for Outpatient Prescription Drugs), which included provisions related to pharmacy cost-share maximums and formulary standards.

SB 1021 also includes a provision to limit member cost-share to the contracted retail price if it is lower than the member's copayment or coinsurance. This means when a member purchases an outpatient prescription drug from a participating pharmacy and the pharmacy's contracted rate for the prescription drug is less than the member's copayment or coinsurance, the member pays only the contracted retail price. This cost-share amount is also applied to the member's deductible and out-of-pocket maximum (OOPM), if applicable.

SB 1021 extends this specific provision until January 1, 2023

#### EFFECTIVE DATES

January 1, 2019 and extends requirements (varying by provision) until as late as January 1, 2024.

#### APPLIES TO:

IFP NGF, GF; HMO and PPO OnEx, OffEx, Mirror  
Small Business Markets (SBM), Rx, HMO, PPO, POS, PSP, OnEx, OffEx, Mirror  
Large Group Markets (Core and Premier), Rx Riders, HMO, PPO, POS, PSP

#### FUNDING

Fully Insured  
Flex-Funded

#### REGULATOR

DMHC  
DOI

#### NOT APPLICABLE

Medicare  
Blue Shield Promise  
ASO/SA Self-funded

#### FREQUENTLY ASKED QUESTIONS

##### **Why are we sending members and groups this communication?**

Blue Shield is already compliant with the provisions of SB 1021. This communication is being sent because language in the *Evidence of Coverage* (EOC) has been updated to clarify that the amount the member pays applies to the member's deductible and out-of-pocket maximum, if applicable.

**How are we communicating this change to our members and groups?**

We are required by law to mail a letter to our members and group explaining changes to benefits and costs.

Although there is no change or impact to members or groups, language in the *Evidence of Coverage* (EOC) has been updated to reflect the new provision in SB 1021.

**What are the changes for members, if any?**

The new provision reflects current Blue Shield pharmacy benefit administration and does not have member impact, except that clarifying language has been added to the EOC.

**Is Blue Shield in compliance with this new pharmacy law?**

Yes. Blue Shield is compliant with all the provisions of SB 1021. This includes the provision of limiting member cost-share to the contracted retail price if it is lower than the member's copayment or coinsurance and applying the amount to the deductible and OOPM, if applicable.

**What lines of business are affected by this law?**

IFP NGF, GF  
Small Business Markets (SBM)  
Large Group Markets (Core/Premier)

**What lines of business are not affected by this law?**

Medicare  
Blue Shield (Promise)  
ASO/SA Self-Funded

**What products are affected by this law?**

HMO, PPO, POS, PSP  
Pharmacy/Rx Riders

**What products are not affected by this law?**

Specialty: Dental, Vision, Life

**When are we sending letters to members?**

Letters to members will be mailed in August 2019

**When are we sending letters to Group Administrators?**

Letters to groups mailed between July 10 – July 17, 2019.