

Legislative Update

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2018 Enacted Bills Summary

- AB 1092 (Cooley) – Vision Care Service Plans
- AB 1860 (Limón) – Oral Anticancer Medications
- AB 2193 (Maienschein) – Maternal Mental Health
- AB 2499 (Arambula) – Medical Loss Ratio Requirements
- AB 2674 (Aguilar-Curry) – Provider Complaints

2018 Enacted Bills Summary

- AB 2863 (Nazarian) – Prescription Drug Cost-Sharing
- AB 2941 (Berman) – States of Emergency
- SB 910 (Hernandez) – Short Term Health Insurance
- SB 997 (Monning) – Physician to Enrollee Ratios
- SB 1021 (Wiener) – Prescription Drug Tiers & Cost-Sharing
- SB 1375 (Hernandez) – Small Employer Groups

AB 315 (Wood)

Pharmacy Benefit Managers

- DMHC Task Force
 - Convene by July 1, 2019
 - Determine reporting criteria for PBMs/plans
 - Report to Legislature by February 1, 2020
- Contracting requirements for PBMs/plans
 - Effective January 1, 2020
 - Includes registration of PBMs with DMHC

AB 315 (Wood)

Pharmacy Benefit Managers

- Pilot Project
 - Effective January 1, 2020 for pharmacy services provided in Sonoma and Riverside counties
 - Plans or their contracted PBMs may not restrict quantities to be dispensed at retail locations if they allow larger quantities to be dispensed by a pharmacy owned or controlled by the plan/PBM
 - Plans will report changes in utilization resulting from this pilot project and the DMHC will issue a report by December 31, 2022

AB 315 (Wood)

Pharmacy Benefit Managers

Business & Professions Code Provisions:

- Requires pharmacies to inform customers of lower retail price option and submit claims to the plans and insurers in the same manner as cost-sharing, if retail price is paid
- Payments must be applied to the deductible and out-of-pocket maximum
- Establishes various contracting requirements between PBMs and purchasers (excluding Knox-Keene plans), including reporting of specified cost/rebate metrics

AB 595 (Wood)

Mergers and Acquisitions

- Expands DMHC's oversight of mergers
- For “major” transactions, DMHC will:
 - Conduct an independent impact analysis
 - Issue a statement describing the transaction
 - Hold a public meeting
- Transaction may be disapproved based on anti-competition findings
- Merging health plans are responsible for reimbursing the costs of merger review

SB 1008 (Skinner)

Dental Plan Disclosures

- Effective the later of January 1, 2021 or 12 months after regulations are adopted, a plan that covers dental services is required to utilize a uniform benefits and coverage disclosure matrix
- The dental plan matrix must include:
 - Annual deductible
 - Annual benefit limit
 - Coverage for the following categories: preventive/diagnostic services, basic services, major services, orthodontia services
 - Reimbursement levels and estimated enrollee cost-share for services
 - Waiting periods
 - Examples to illustrate coverage of commonly used benefits

Additional Bills

AB 1810 (Committee on Budget)

- Establishes a Council on Health Care Delivery Systems
- Charges Covered California with developing options for providing financial assistance to help low- and middle-income Californians access health care coverage
- Charges OSHPD with developing a Health Care Cost Transparency Database

AB 2472 (Wood)

- Requires AB 1810 Council to analyze the feasibility of a public health insurance plan

Questions?