

PURPOSE OF HB 1276

To exempt antipsychotic prescription drugs from regulation under step therapy protocols.

ACTUARIAL STATEMENT

The Fiscal Impact Statement was prepared according to generally accepted actuarial principles and practices, in compliance with ACT 112. The Statement provides an estimate of the financial and actuarial effect of the proposed change(s) on the Plans, if possible. The Statement makes no comment or opinion with regard to the merits of the measure for which the Statement is prepared; however, any identified technical or mechanical defects have been noted.

We have reviewed the input and results of our analysis for reasonableness and relied upon the data and information provided by the Plans and their Claims Processing Contractors.

A handwritten signature in black ink, appearing to read "Patrick Klein".

3/10/2023

Patrick Klein, FSA, MAAA
Vice President

Date

A handwritten signature in black ink, appearing to read "Matthew Kersting".

3/10/2023

Matthew Kersting, FSA, MAAA
Vice President

Date

PROJECTED COSTS

Plan	Plan Design Change	Annual Estimated Cost
EBD	No Change	No Impact
UOA	No Change	No Impact
ASU	Exempt Antipsychotic Prescription Drugs from Step Therapy Protocols	No Material Impact
UCA	Exempt Antipsychotic Prescription Drugs from Step Therapy Protocols	No Material Impact
AHEC	Exempt Antipsychotic Prescription Drugs from Step Therapy Protocols	No Material Impact
NWACC	Exempt Antipsychotic Prescription Drugs from Step Therapy Protocols	No Material Impact
SAU	Exempt Antipsychotic Prescription Drugs from Step Therapy Protocols	No Material Impact

PRICING APPROACH AND COMMENTS

House Bill 1276 exempts antipsychotic prescription drugs from regulation under step therapy protocols. EBD and UOA both confirmed that they do not apply step therapy protocols to antipsychotic prescription drugs. Step therapy is a protocol to control prescription drug medication costs by having participants utilized preferred, and generally cheaper, medications before they are able to have coverage for non-preferred medications. Based on the responses received from the university system health plans, the SAU and UCA plans apply step therapy protocols to brand name antipsychotic prescription drugs, meaning that participants must first utilize generic versions of the brand name drug and experience inadequate treatment before the plan will provide coverage for the associated brand name version of the antipsychotic drug.

The overall antipsychotic prescription utilization information we received from the plans showed a high utilization of generic antipsychotic prescription drugs and a low overall utilization of medications within this drug class. Based on the plan supplied antipsychotic prescription drug utilization, for plan sponsors both with and without step therapy protocols in place, there is no material impact expected for the remaining university system health plans.