

1 HB249  
2 207943-4  
3 By Representative Lee  
4 RFD: Insurance  
5 First Read: 02-FEB-21

ACT #2021 - 236



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ENROLLED, An Act,

To require a health benefit plan that provides coverage for prescription insulin drugs to cap the amount of any cost-sharing or co-pay that an insured or a beneficiary under the plan is required to pay for a covered prescription insulin drug; and to amend Sections 10A-20-6.16 and 27-21A-23, Code of Alabama 1975, as amended by Act 2019-98 of the 2019 Regular Session, relating to health care service plans and health maintenance organizations.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) As used in this section, the following words have the following meanings:

(1) HEALTH BENEFIT PLAN. Any group insurance plan, individual health insurance policy or other policy, or contract for health care services that covers hospital, medical, or surgical expenses, health maintenance organizations, preferred provider organizations, medical service organizations, physician-hospital organizations, or any other person, firm, corporation, joint venture, or other similar business entity that pays for, purchases, or furnishes group health care services to patients, insureds, or beneficiaries in this state. For the purposes of this section, a health benefit plan located or domiciled outside of the State of Alabama is deemed to be subject to this section if

1 the plan, policy, or contract is issued or delivered in the  
2 State of Alabama. The term includes, but is not limited to,  
3 entities created pursuant to Article 6, Chapter 20, Title 10A,  
4 Code of Alabama 1975. The term does not include accident-only,  
5 specified disease, individual hospital indemnity, credit,  
6 dental-only, Medicare-supplement, long-term care, or  
7 disability income insurance, other limited benefit health  
8 insurance policies, coverage issued as a supplemental to  
9 liability insurance, workers' compensation or similar  
10 insurance, or automobile medical-payment insurance.

11 (2) PRESCRIPTION INSULIN DRUG. A prescription drug  
12 that contains insulin, is used to treat diabetes, and has been  
13 prescribed as medically necessary by the treating physician.

14 (b) (1) A health benefit plan that provides coverage  
15 for prescription insulin drugs shall cap the total amount of  
16 any cost-sharing or co-pay that an insured or beneficiary is  
17 required to pay under the plan for a covered prescription  
18 insulin drug at an amount not to exceed one hundred dollars  
19 (\$100) per 30-day supply of the insulin drug, without regard  
20 to the policy deductible, regardless of the amount or type of  
21 insulin needed to fill the insured's or beneficiary's  
22 prescription.

23 (2) This section does not prevent a health benefit  
24 plan from reducing an insured's or beneficiary's cost-sharing

1 obligation by an amount greater than the amount specified in  
2 subdivision (1).

3 (3) On January 1 of each year, the limit on the  
4 amount that an insured is required to pay for a 30-day supply  
5 of a covered prescription insulin drug shall increase by a  
6 percentage equal to the percentage change from the preceding  
7 year in the prescription drug component of the Consumer Price  
8 Index of the Bureau of Labor Statistics of the United States  
9 Department of Labor.

10 (4) This section does not apply to a health benefit  
11 plan if the implementation of the cost-sharing or co-pay cap  
12 in subdivision (1) would necessitate the health benefit plan's  
13 cost sharing for other services to be increased in order to  
14 comply with federally mandated actuarial values for  
15 non-grandfathered individual and small group plans.

16 (5) This section shall apply to contracts entered  
17 into after the effective date of this act.

18 Section 2. Sections 10A-20-6.16 and 27-21A-23, as  
19 amended by Act 2019-98, Code of Alabama 1975, are amended to  
20 read as follows:

21 "§10A-20-6.16.

22 "(a) No statute of this state applying to insurance  
23 companies shall be applicable to any corporation organized  
24 under this article and amendments thereto or to any contract

1 made by the corporation; except the corporation shall be  
2 subject to the following;

3 "(1) The provisions regarding annual premium tax to  
4 be paid by insurers on insurance premiums.

5 "(2) Chapter 55 of Title 27.

6 "(3) Article 2 and Article 3 of Chapter 19 of Title  
7 27.

8 "(4) Section 27-1-17.

9 "(5) Chapter 56 of Title 27.

10 "(6) Rules ~~promulgated~~ adopted by the Commissioner  
11 of Insurance pursuant to Sections 27-7-43 and 27-7-44.

12 "(7) Chapter 54 of Title 27.

13 "(8) Chapter 57 of Title 27.

14 "(9) Chapter 58 of Title 27.

15 "(10) Chapter 59 of Title 27.

16 "(11) Chapter 54A of Title 27.

17 "(12) Chapter 12A of Title 27.

18 "(13) Chapter 2B of Title 27.

19 "(14) Chapter 29 of Title 27.

20 "(15) Chapter 62 of Title 27.

21 "(16) Section 1 of the act adding this subdivision.

22 "(b) The provisions in subsection (a) that require  
23 specific types of coverage to be offered or provided shall not  
24 apply when the corporation is administering a self-funded

1 benefit plan or similar plan, fund, or program that it does  
2 not insure.

3 "§27-21A-23.

4 "(a) Except as otherwise provided in this chapter,  
5 provisions of the insurance law and provisions of health care  
6 service plan laws shall not be applicable to any health  
7 maintenance organization granted a certificate of authority  
8 under this chapter. This provision shall not apply to an  
9 insurer or health care service plan licensed and regulated  
10 pursuant to the insurance law or the health care service plan  
11 laws of this state except with respect to its health  
12 maintenance organization activities authorized and regulated  
13 pursuant to this chapter.

14 "(b) Solicitation of enrollees by a health  
15 maintenance organization granted a certificate of authority  
16 shall not be construed to violate any provision of law  
17 relating to solicitation or advertising by health  
18 professionals.

19 "(c) Any health maintenance organization authorized  
20 under this chapter shall not be deemed to be practicing  
21 medicine and shall be exempt from the provisions of Section  
22 34-24-310, et seq., relating to the practice of medicine.

23 "(d) No person participating in the arrangements of  
24 a health maintenance organization other than the actual  
25 provider of health care services or supplies directly to

1       enrollees and their families shall be liable for negligence,  
2       misfeasance, nonfeasance, or malpractice in connection with  
3       the furnishing of such services and supplies.

4               "(e) Nothing in this chapter shall be construed in  
5       any way to repeal or conflict with any provision of the  
6       certificate of need law.

7               "(f) Notwithstanding the provisions of subsection  
8       (a), a health maintenance organization shall be subject to all  
9       of the following:

10              "(1) Section 27-1-17.

11              "(2) Chapter 56.

12              "(3) Chapter 54.

13              "(4) Chapter 57.

14              "(5) Chapter 58.

15              "(6) Chapter 59.

16              "(7) Rules ~~promulgated~~ adopted by the Commissioner  
17       of Insurance pursuant to Sections 27-7-43 and 27-7-44.

18              "(8) Chapter 12A.

19              "(9) Chapter 54A.

20              "(10) Chapter 2B.

21              "(11) Chapter 29.

22              "(12) Chapter 62.

23              "(13) Section 1 of the act adding this subdivision."

24              Section 3. This act shall become effective on  
25       October 1, 2021.

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*Mac McCutchen*

Speaker of the House of Representatives

*[Signature]*

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in  
and was passed by the House 09-MAR-21.

Jeff Woodard  
Clerk

Senate

08-APR-21

Passed

**APPROVED** *4-20-2021*

**TIME** *8:00 AM*

*Ray Ivey*  
GOVERNOR

Alabama Secretary Of State

Act Num....: 2021-236  
Bill Num....: H-249

Recv'd 04/20/21 10:39amSLF



SPONSORS

DIST. NO.

Paul W. [Signature] 86

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HOUSE ACTION

DATE: 2-2-2021  
RD 1 RFD Insurance

REPORT OF STANDING COMMITTEE

This bill having been referred by the House to its standing committee on Insurance was acted upon by such committee in session, and returned therefrom to the House with the recommendation that it be Passed, w/amend(s) w/sub this 23rd day of February, 20 21.  
[Signature], Chairperson

DATE: 2-23-2021  
RF RD 2 CAL

DATE: 20  
RE-REFERRED  RE-COMMITTED   
Committee \_\_\_\_\_

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill, HB 2419.  
YEAS 95 NAYS 0  
JEFF WOODARD, Clerk

SENATE ACTION

DATE: 3-11-2021  
RD 1 RFD B+I

This Bill was referred to the Standing Committee of the Senate on B+I and was acted upon by such Committee in session and is by order of the Committee returned therefrom with a favorable report w/amd(s) w/sub w/eng sub by a vote of 14 yeas 0 nays 0 abstain this 7th day of April, 20 21.  
[Signature], Chairperson

DATE: 4-7-2021  
RF FAV RD 2  CAL

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill, HB 2419.  
YEAS 32 NAYS 0  
PATRICK HARRIS, Secretary

DATE: 4-8-21 RD 3 at length  
PASSED  PASSED AS AMENDED   
YEAS 32 NAYS 0  
And was ordered returned forthwith to the House.  
PATRICK HARRIS, Secretary

DATE: 20  
INDEFINITELY POSTPONED YEAS NAYS

DATE: 20  
RECONSIDERED YEAS NAYS