

First Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

**REREVISED**

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

LLS NO. 17-0852.02 Kristen Forrestal x4217

**SENATE BILL 17-203**

**SENATE SPONSORSHIP**

**Todd**, Coram, Aguilar, Crowder, Kefalas

**HOUSE SPONSORSHIP**

**Covarrubias and Kennedy**,

**Senate Committees**  
Business, Labor, & Technology

**House Committees**  
Health, Insurance, & Environment

HOUSE  
3rd Reading Unamended  
April 18, 2017

HOUSE  
Amended 2nd Reading  
April 13, 2017

SENATE  
3rd Reading Unamended  
March 22, 2017

**A BILL FOR AN ACT**

101     **CONCERNING THE PROHIBITION AGAINST A CARRIER REQUIRING A**  
102       **COVERED PERSON TO UNDERGO STEP THERAPY, AND, IN**  
103       **CONNECTION THEREWITH, REQUIRING COVERAGE FOR A**  
104       **PRESCRIBED MEDICATION THAT IS PART OF THE CARRIER'S**  
105       **MEDICATION FORMULARY.**

**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 prohibits a carrier from requiring a covered person to undergo step therapy:

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

SENATE  
Amended 2nd Reading  
March 21, 2017

- ! When being treated for a terminal condition; or
- ! If the covered person has tried a step-therapy-required drug under a health benefit plan and the drug was discontinued by the manufacturer.

A carrier that requires step therapy must have an override process for health care providers.

"Step therapy" is defined as a protocol that requires a covered person to use a prescription drug or sequence of prescription drugs, other than the drug that the covered person's health care provider recommends for the covered person's treatment, before the carrier provides coverage for the recommended drug.

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

2           **SECTION 1.** In Colorado Revised Statutes, **add 10-16-145** as  
3 follows:

4           **10-16-145. Step therapy - prohibited - definitions.** (1) FOR THE  
5 PURPOSES OF THIS SECTION, "STEP    THERAPY" MEANS A PROTOCOL  
6 THAT REQUIRES A COVERED PERSON TO USE A PRESCRIPTION DRUG OR  
7 SEQUENCE OF PRESCRIPTION DRUGS, OTHER THAN THE DRUG THAT THE  
8 COVERED PERSON'S HEALTH CARE PROVIDER RECOMMENDS FOR THE  
9 COVERED PERSON'S TREATMENT, BEFORE THE CARRIER PROVIDES  
10 COVERAGE FOR THE RECOMMENDED PRESCRIPTION DRUG.

11            =

12           (2) A CARRIER SHALL NOT REQUIRE A COVERED PERSON TO  
13 UNDERGO STEP THERAPY, AND SHALL PROVIDE COVERAGE FOR THE DRUG  
14 PRESCRIBED BY THE COVERED PERSON'S HEALTH CARE PROVIDER AS LONG  
15 AS THE PRESCRIBED DRUG IS ON THE CARRIER'S PRESCRIPTION DRUG  
16 FORMULARY, WHEN:

17           (a) THE PATIENT HAS TRIED THE STEP THERAPY-REQUIRED  
18 PRESCRIPTION DRUGS WHILE UNDER HIS OR HER CURRENT OR PREVIOUS  
19 HEALTH INSURANCE OR HEALTH BENEFIT PLAN, AND SUCH PRESCRIPTION

1       DRUGS WERE DISCONTINUED BY THE PRESCRIBING HEALTH CARE PROVIDER  
2       DUE TO LACK OF EFFICACY OR EFFECTIVENESS, DIMINISHED EFFECT, OR AN  
3       ADVERSE EVENT. PHARMACY DRUG SAMPLES SHALL NOT BE CONSIDERED  
4       TRIAL AND FAILURE OF A PREFERRED PRESCRIPTION DRUG IN LIEU OF  
5       TRYING THE STEP THERAPY-REQUIRED PRESCRIPTION DRUG.

6               (3) A CARRIER THAT REQUIRES STEP THERAPY SHALL PROVIDE AN  
7       OVERRIDE PROCESS FOR A PRESCRIBED PRESCRIPTION DRUG. A CARRIER  
8       MUST EXPEDITIOUSLY GRANT AN OVERRIDE WHEN THE TREATING HEALTH  
9       CARE PROVIDER CAN SHOW THAT THE CARRIER'S PREFERRED DRUG IS  
10       CONTRAINDEDICATED OR WILL LIKELY CAUSE AN ADVERSE REACTION. THE  
11       TREATING HEALTH CARE PROVIDER MAY USE PEER-REVIEWED DATA OR  
12       CLINICAL GUIDELINES OR CLINICAL TRIAL RESULTS AS A PART OF THIS  
13       PROCESS.

14               (4) THE HEALTH CARRIER, HEALTH BENEFIT PLAN, OR UTILIZATION  
15       REVIEW ORGANIZATION MAY REQUEST RELEVANT DOCUMENTATION FROM  
16       THE PATIENT OR PROVIDER TO SUPPORT THE OVERRIDE REQUEST.

17               (5) THIS SECTION IS SUBJECT TO THE INTERNAL AND EXTERNAL  
18       APPEALS PROCESSES IN SECTIONS 10-16-113 AND 10-16-113.5.

19               (6) THIS SECTION DOES NOT PRECLUDE A CARRIER FROM  
20       REQUIRING PRIOR AUTHORIZATION FOR THE COVERAGE OF A PRESCRIBED  
21       DRUG THAT WAS COVERED BY THE COVERED PERSON'S FORMER HEALTH  
22       INSURANCE OR HEALTH BENEFIT PLAN; EXCEPT THAT PRIOR  
23       AUTHORIZATION MUST NOT INCLUDE A STEP THERAPY REQUIREMENT.

24        ==  
25       **SECTION 2. Act subject to petition - effective date.** This act  
26       takes effect September 1, 2017; except that, if a referendum petition is  
27       filed pursuant to section 1 (3) of article V of the state constitution against

1 this act or an item, section, or part of this act within the ninety-day period  
2 after final adjournment of the general assembly, then the act, item,  
3 section, or part will not take effect unless approved by the people at the  
4 general election to be held in November 2018 and, in such case, will take  
5 effect on the date of the official declaration of the vote thereon by the  
6 governor.