First Regular Session Seventy-third General Assembly STATE OF COLORADO

PREAMENDED

This Unofficial Version Includes Committee Amendments Not Yet Adopted on Second Reading

LLS NO. 21-0292.03 Yelana Love x2295

HOUSE BILL 21-1307

HOUSE SPONSORSHIP

Roberts, McCluskie

SENATE SPONSORSHIP

Donovan and Liston,

House Committees

Senate Committees

Health & Insurance Appropriations

A BILL FOR AN ACT

101 CONCERNING MEASURES TO INCREASE ACCESS TO PRESCRIPTION 102 INSULIN FOR PERSONS WITH DIABETES.

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:

- Provides that the current law establishing a \$100 cap on a person's 30-day supply of prescription insulin is for the person's entire insulin supply, regardless of the number of prescriptions a person may have;
- Provides eligible individuals access to one emergency

- prescription insulin supply within a 12-month period at a cost not to exceed \$35 for a 30-day supply; and
- Creates the insulin affordability program in the division of insurance through which eligible individuals may obtain prescription insulin for 12 months at a cost of not more than \$50 for a 30-day supply.

1 Be it enacted by the General Assembly of the State of Colorado: 2 SECTION 1. In Colorado Revised Statutes, 10-16-151, amend 3 (2) as follows: 4 10-16-151. Cost sharing in prescription insulin drugs - limits 5 - definition - rules. (2) A carrier that provides coverage for prescription 6 insulin drugs pursuant to the terms of a health coverage plan the carrier 7 offers shall cap the total amount that a covered person is required to pay 8 for a ALL covered prescription insulin drug DRUGS at an amount not to 9 exceed one hundred dollars per FOR THE COVERED PERSON'S ENTIRE 10 thirty-day supply of insulin, regardless of the amount or type of insulin 11 needed to fill the covered person's prescription OR THE NUMBER OF 12 PRESCRIPTIONS. 13 **SECTION 2.** In Colorado Revised Statutes, add 12-280-137 and 14 12-280-138 as follows: 15 12-280-137. Insulin affordability program - record keeping -16 reimbursement - definitions. (1) AS USED IN THIS SECTION AND SECTION 17 12-280-138, UNLESS THE CONTEXT OTHERWISE REQUIRES: 18 "CONSUMER PRICE INDEX" MEANS THE UNITED STATES 19 DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE 20 INDEX FOR DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID BY ALL 21 URBAN CONSUMERS, OR ITS APPLICABLE PREDECESSOR OR SUCCESSOR 22 INDEX.

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1	(b) "DIVISION OF INSURANCE" MEANS THE DIVISION OF INSURANCE
2	IN THE DEPARTMENT OF REGULATORY AGENCIES, CREATED IN SECTION
3	10-1-103.
4	(c) "MANUFACTURER" MEANS A PERSON:
5	(I) ENGAGED IN THE MANUFACTURING OF INSULIN THAT IS
6	SELF-ADMINISTERED ON AN OUTPATIENT BASIS AND IS AVAILABLE FOR
7	PURCHASE BY RESIDENTS OF THIS STATE; AND
8	(II) THAT HAS ANNUAL GROSS REVENUE OF MORE THAN TWO
9	MILLION DOLLARS FROM THE SALE OF INSULIN IN THIS STATE.
10	(d) "Pharmacy" means a pharmacy outlet registered
11	PURSUANT TO THIS ARTICLE $280\mathrm{WHERE}$ PRESCRIPTIONS ARE COMPOUNDED
12	AND DISPENSED.
13	(e) "Program" means the insulin affordability program
14	CREATED IN SUBSECTION (2) OF THIS SECTION.
15	(f) (I) "Wholesale acquisition cost" means a
16	MANUFACTURER'S LIST PRICE FOR INSULIN TO WHOLESALERS OR DIRECT
17	PURCHASERS IN THE UNITED STATES FOR THE MOST RECENT MONTH FOR
18	WHICH THE INFORMATION IS REPORTED IN WHOLESALE PRICE GUIDES OR
19	OTHER PUBLICATIONS OF DRUG OR BIOLOGICAL PRICING DATA.
20	(II) "WHOLESALE ACQUISITION COST" DOES NOT INCLUDE PROMPT
21	PAY OR OTHER DISCOUNTS, REBATES, OR REDUCTIONS IN PRICE.
22	(2) Effective January 1, 2022, the insulin affordability
23	PROGRAM IS HEREBY CREATED TO PROVIDE LOW-COST INSULIN TO
24	ELIGIBLE INDIVIDUALS. BY JANUARY 1, 2022, EACH MANUFACTURER
25	SHALL ESTABLISH PROCEDURES TO MAKE INSULIN AVAILABLE IN
26	ACCORDANCE WITH THIS SECTION TO ELIGIBLE INDIVIDUALS WHO NEED
27	ACCESS TO AN AFFORDABLE INSULIN SUPPLY.

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1	(3) TO BE ELIGIBLE TO RECEIVE INSULIN UNDER THE PROGRAM, AN
2	INDIVIDUAL MUST:
3	(a) BE A RESIDENT OF COLORADO;
4	(b) NOT BE ELIGIBLE FOR OR ENROLLED IN ASSISTANCE PROVIDED
5	THROUGH THE "COLORADO MEDICAL ASSISTANCE ACT", ARTICLES 4 TO
6	6 of title 25.5, or the federal "Health Insurance for the Aged
7	ACT", TITLE XVIII OF THE FEDERAL "SOCIAL SECURITY ACT", 42 U.S.C.
8	SEC. 1395 ET SEQ., AS AMENDED;
9	(c) HAVE A VALID INSULIN PRESCRIPTION OR BE ELIGIBLE FOR AN
10	EMERGENCY SUPPLY AS PROVIDED IN SECTION 12-280-125.5; AND
11	(d) NOT BE ENROLLED IN PRESCRIPTION DRUG COVERAGE THAT
12	LIMITS THE TOTAL AMOUNT OF COST SHARING THAT THE ENROLLEE IS
13	REQUIRED TO PAY FOR A THIRTY-DAY SUPPLY OF INSULIN TO ONE HUNDRED
14	DOLLARS AS DESCRIBED IN SECTION 10-16-151.
15	(4) (a) The division of insurance shall develop an
16	APPLICATION FORM TO BE USED BY AN INDIVIDUAL WHO IS SEEKING
17	INSULIN UNDER THE PROGRAM. THE APPLICATION FORM MUST REQUIRE
18	THE INDIVIDUAL TO SHOW PROOF THAT THE INDIVIDUAL MEETS THE
19	REQUIREMENTS OF SUBSECTION (3) OF THIS SECTION.
20	(b) THE DIVISION OF INSURANCE AND THE DEPARTMENT OF HEALTH
21	CARE POLICY AND FINANCING SHALL MAKE THE APPLICATION FORM
22	AVAILABLE ON EACH AGENCY'S WEBSITE. THE DIVISION OF INSURANCE
23	SHALL ALSO MAKE THE APPLICATION FORM AVAILABLE TO PHARMACIES,
24	HEALTH-CARE PROVIDERS, AND HEALTH FACILITIES THAT PRESCRIBE OR
25	DISPENSE INSULIN.
26	(5) TO ACCESS INSULIN THROUGH THE PROGRAM, AN INDIVIDUAL
27	MUST PRESENT, AT A PHARMACY, A COMPLETED, SIGNED, AND DATED

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1	APPLICATION FORM WITH PROOF OF THE INDIVIDUAL'S COLORADO
2	RESIDENCY. IF THE INDIVIDUAL IS UNDER EIGHTEEN YEARS OF AGE, THE
3	INDIVIDUAL'S PARENT OR LEGAL GUARDIAN MAY PROVIDE THE
4	PHARMACIST WITH PROOF OF RESIDENCY.
5	(6) (a) Upon receipt of an individual's completed, signed,
6	AND DATED APPLICATION FORM DEMONSTRATING THAT THE INDIVIDUAL
7	IS ELIGIBLE PURSUANT TO SUBSECTION (3) OF THIS SECTION AND THE
8	INDIVIDUAL'S PROOF OF RESIDENCY, A PHARMACIST SHALL DISPENSE THE
9	PRESCRIBED INSULIN IN AN AMOUNT THAT WILL PROVIDE THE INDIVIDUAL
10	WITH A THIRTY-DAY SUPPLY. AN INDIVIDUAL WHO IS ELIGIBLE TO RECEIVE
11	INSULIN PURSUANT TO THIS SECTION MAY RECEIVE THE INSULIN FOR
12	TWELVE MONTHS.
13	(b) THE PHARMACIST IS ENCOURAGED TO INFORM THE INDIVIDUAL
14	THAT THEY MAY BE ELIGIBLE FOR THE "COLORADO MEDICAL ASSISTANCE
15	ACT", ARTICLES 4 TO 6 OF TITLE 25.5, OR AN AFFORDABLE INSURANCE
16	PRODUCT ON THE STATE-BASED MARKETPLACE.
17	(c) THE PHARMACIST SHALL RETAIN A COPY OF THE APPLICATION
18	FORM SUBMITTED BY THE INDIVIDUAL FOR TWO YEARS AFTER THE DATE
19	THE INSULIN WAS INITIALLY DISPENSED.
20	(7) A PHARMACY THAT DISPENSES INSULIN PURSUANT TO
21	SUBSECTION (6)(a) OF THIS SECTION MAY COLLECT A COPAYMENT FROM
22	THE INDIVIDUAL TO COVER THE PHARMACY'S COSTS OF PROCESSING AND
23	DISPENSING THE INSULIN IN AN AMOUNT NOT TO EXCEED FIFTY DOLLARS
24	FOR EACH THIRTY-DAY SUPPLY OF INSULIN DISPENSED.
25	(8) (a) Except as provided in subsection (8)(d) of this
26	SECTION, UNLESS THE MANUFACTURER AGREES TO SEND TO THE
27	PHARMACY A REPLACEMENT SUPPLY OF THE SAME INSULIN DISPENSED IN

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1	THE AMOUNT DISPENSED THROUGH THE PROGRAM, THE PHARMACY MAY
2	SUBMIT TO THE MANUFACTURER OF THE DISPENSED INSULIN, DIRECTLY OR
3	THROUGH THE MANUFACTURER'S DELEGATED REPRESENTATIVE,
4	SUBCONTRACTOR, OR OTHER VENDOR, AN ELECTRONIC CLAIM FOR
5	PAYMENT THAT IS MADE IN ACCORDANCE WITH THE NATIONAL COUNCIL
6	FOR PRESCRIPTION DRUG PROGRAMS' STANDARDS FOR ELECTRONIC
7	CLAIMS PROCESSING.
8	(b) By January 1, 2022, Each Manufacturer shall develop
9	A PROCESS FOR A PHARMACY TO SUBMIT AN ELECTRONIC CLAIM FOR
10	REIMBURSEMENT AS PROVIDED IN SUBSECTION (8)(a) OF THIS SECTION.
11	(c) IF THE PHARMACY SUBMITS AN ELECTRONIC CLAIM TO THE
12	MANUFACTURER PURSUANT TO SUBSECTION (8)(a) OF THIS SECTION, THE
13	MANUFACTURER OR THE MANUFACTURER'S DELEGATED REPRESENTATIVE,
14	SUBCONTRACTOR, OR OTHER VENDOR SHALL, WITHIN THIRTY DAYS AFTER
15	RECEIPT OF THE CLAIM, EITHER:
16	(I) REIMBURSE THE PHARMACY IN AN AMOUNT THAT COVERS THE
17	DIFFERENCE BETWEEN THE PHARMACY'S WHOLESALE ACQUISITION COST
18	FOR THE INSULIN DISPENSED THROUGH THE PROGRAM AND THE AMOUNT
19	THE INDIVIDUAL PAID FOR THE INSULIN PURSUANT TO SUBSECTION (7) of
20	THIS SECTION; OR
21	(II) SEND THE PHARMACY A REPLACEMENT SUPPLY OF THE SAME
22	INSULIN IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT THAT
23	COVERS THE DIFFERENCE BETWEEN THE PHARMACY'S WHOLESALE
24	ACQUISITION COST FOR THE INSULIN DISPENSED THROUGH THE PROGRAM
25	AND THE AMOUNT THE INDIVIDUAL PAID FOR THE INSULIN PURSUANT TO
26	SUBSECTION (7) OF THIS SECTION.
27	(d) A PHARMACY SHALL NOT SUBMIT A CLAIM FOR PAYMENT FOR

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1	INSULIN WITH A WHOLESALE ACQUISITION COST OF EIGHT DOLLARS OR
2	LESS PER MILLILITER, ADJUSTED ANNUALLY BASED ON THE ANNUAL
3	PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX.
4	(9) THE DIVISION OF INSURANCE AND THE DEPARTMENT OF HEALTH
5	CARE POLICY AND FINANCING SHALL PROMOTE THE AVAILABILITY OF THE
6	PROGRAM TO COLORADANS. EACH AGENCY MAY SEEK AND ACCEPT GIFTS,
7	GRANTS, AND DONATIONS TO FULFILL THE REQUIREMENTS OF THIS
8	SUBSECTION (9).
9	(10) A MANUFACTURER'S REIMBURSEMENT PURSUANT TO
10	SUBSECTION $(8)(b)$ OF THIS SECTION IS NOT A KICKBACK.
11	(11) A MANUFACTURER THAT FAILS TO COMPLY WITH THE
12	REQUIREMENTS OF THIS SECTION IS SUBJECT TO A FINE OF TEN THOUSAND
13	DOLLARS FOR EACH MONTH OF NONCOMPLIANCE.
14	12-280-138. Emergency prescription insulin supply - eligibility
15	- record keeping - definition. (1) (a) EFFECTIVE JANUARY 1, 2022, AN
16	INDIVIDUAL WHO MEETS THE REQUIREMENTS OF SUBSECTION (2) OF THIS
17	SECTION MAY RECEIVE ONE EMERGENCY THIRTY-DAY SUPPLY OF
18	PRESCRIPTION INSULIN WITHIN A TWELVE-MONTH PERIOD. THE PHARMACY
19	MAY CHARGE THE INDIVIDUAL AN AMOUNT NOT TO EXCEED THIRTY-FIVE
20	DOLLARS FOR THE THIRTY-DAY SUPPLY.
21	(b) By January 1, 2022, Each Manufacturer shall establish
22	PROCEDURES TO MAKE INSULIN AVAILABLE IN ACCORDANCE WITH THIS
23	SECTION TO ELIGIBLE INDIVIDUALS WHO NEED ACCESS TO AN EMERGENCY
24	PRESCRIPTION INSULIN SUPPLY.
25	(2) TO BE ELIGIBLE FOR AN EMERGENCY PRESCRIPTION INSULIN
26	SUPPLY, AN INDIVIDUAL MUST:
27	(a) HAVE A VALID PRESCRIPTION FOR INSULIN OR BE ELIGIBLE FOR

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1	AN EMERGENCY SUPPLY AS PROVIDED IN SECTION 12-280-125.5;
2	(b) HAVE LESS THAN A SEVEN-DAY SUPPLY OF INSULIN AVAILABLE;
3	(c) BE REQUIRED TO PAY MORE THAN ONE HUNDRED DOLLARS OUT
4	OF POCKET EACH MONTH FOR THE INDIVIDUAL'S INSULIN; AND
5	(d) BE A RESIDENT OF COLORADO.
6	(3) (a) THE DIVISION OF INSURANCE SHALL CREATE AND MAKE
7	AVAILABLE TO THE PUBLIC AN APPLICATION FORM FOR INDIVIDUALS
8	SEEKING AN EMERGENCY PRESCRIPTION INSULIN SUPPLY PURSUANT TO
9	THIS SECTION.
10	(b) AT A MINIMUM, THE APPLICATION FORM MUST REQUIRE THE
11	INDIVIDUAL TO SHOW PROOF THAT THE INDIVIDUAL MEETS THE
12	REQUIREMENTS OF SUBSECTION (2) OF THIS SECTION.
13	(c) EACH PHARMACY IN THE STATE SHALL MAKE THE APPLICATION
14	FORM AVAILABLE AT THE PHARMACY.
15	(4) (a) Upon receipt of an individual's completed
16	APPLICATION FORM DEMONSTRATING THAT THE INDIVIDUAL IS ELIGIBLE
17	PURSUANT TO SUBSECTION (2) OF THIS SECTION AND THE INDIVIDUAL'S
18	PROOF OF RESIDENCY, A PHARMACIST SHALL DISPENSE THE PRESCRIBED
19	INSULIN IN AN AMOUNT THAT WILL PROVIDE THE INDIVIDUAL WITH A
20	THIRTY-DAY SUPPLY.
21	(b) IF THE INDIVIDUAL IS UNDER EIGHTEEN YEARS OF AGE, THE
22	INDIVIDUAL'S PARENT OR LEGAL GUARDIAN MAY PROVIDE THE
23	PHARMACIST WITH PROOF OF RESIDENCY.
24	(5) EACH PHARMACY SHALL KEEP THE APPLICATION FORM FOR
25	EACH INDIVIDUAL WHO RECEIVES AN EMERGENCY PRESCRIPTION INSULIN
26	SUPPLY PURSUANT TO THIS SECTION FOR TWO YEARS FOLLOWING THE DATE
27	ON WHICH THE INSULIN WAS DISPENSED.

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1	(6) (a) EXCEPT AS PROVIDED IN SUBSECTION (6)(d) OF THIS
2	SECTION, UNLESS THE MANUFACTURER AGREES TO SEND TO THE
3	PHARMACY A REPLACEMENT SUPPLY OF THE SAME INSULIN DISPENSED IN
4	THE AMOUNT DISPENSED THROUGH THE PROGRAM, THE PHARMACY MAY
5	SUBMIT TO THE MANUFACTURER OF THE DISPENSED INSULIN, DIRECTLY OR
6	THROUGH THE MANUFACTURER'S DELEGATED REPRESENTATIVE,
7	SUBCONTRACTOR, OR OTHER VENDOR, AN ELECTRONIC CLAIM FOR
8	PAYMENT THAT IS MADE IN ACCORDANCE WITH THE NATIONAL COUNCIL
9	FOR PRESCRIPTION DRUG PROGRAMS' STANDARDS FOR ELECTRONIC
10	CLAIMS PROCESSING.
11	(b) By January 1, 2022, each manufacturer shall develop
12	A PROCESS FOR A PHARMACY TO SUBMIT AN ELECTRONIC CLAIM FOR
13	REIMBURSEMENT AS PROVIDED IN SUBSECTION (6)(a) OF THIS SECTION.
14	(c) If the pharmacy submits an electronic claim to the
15	MANUFACTURER PURSUANT TO SUBSECTION (6)(a) OF THIS SECTION, THE
16	MANUFACTURER OR THE MANUFACTURER'S DELEGATED REPRESENTATIVE,
17	SUBCONTRACTOR, OR OTHER VENDOR SHALL, WITHIN THIRTY DAYS AFTER
18	RECEIPT OF THE CLAIM, EITHER:
19	(I) REIMBURSE THE PHARMACY IN AN AMOUNT THAT COVERS THE
20	PHARMACY'S WHOLESALE ACQUISITION COST FOR THE INSULIN DISPENSED
21	PURSUANT TO THIS SECTION; OR
22	(II) SEND THE PHARMACY A REPLACEMENT SUPPLY OF THE SAME
23	INSULIN IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT THAT
24	COVERS THE PHARMACY'S WHOLESALE ACQUISITION COST FOR THE INSULIN
25	DISPENSED PURSUANT TO THIS SECTION.
26	(d) A PHARMACY SHALL NOT SUBMIT A CLAIM FOR PAYMENT FOR
2.7	INSULIN WITH A WHOLESALE ACQUISITION COST OF FIGHT DOLLARS OR

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1	LESS PER MILLILITER, ADJUSTED ANNUALLY BASED ON THE ANNUAL
2	PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX.
3	(7) THE DIVISION OF INSURANCE AND THE DEPARTMENT OF HEALTH
4	CARE POLICY AND FINANCING SHALL PROMOTE THE AVAILABILITY OF THE
5	EMERGENCY PRESCRIPTION INSULIN SUPPLY TO COLORADANS. EACH
6	AGENCY MAY SEEK AND ACCEPT GIFTS, GRANTS, AND DONATIONS TO
7	FULFILL THE REQUIREMENTS OF THIS SUBSECTION (7).
8	(8) A MANUFACTURER'S REIMBURSEMENT PURSUANT TO
9	SUBSECTION (6)(b) OF THIS SECTION IS NOT A KICKBACK.
10	(9) A MANUFACTURER THAT FAILS TO COMPLY WITH THE
11	REQUIREMENTS OF THIS SECTION IS SUBJECT TO A FINE OF TEN THOUSAND
12	DOLLARS FOR EACH MONTH OF NONCOMPLIANCE.
13	SECTION 3. Act subject to petition - effective date. This act
14	takes effect at 12:01 a.m. on the day following the expiration of the
15	ninety-day period after final adjournment of the general assembly; except
16	that, if a referendum petition is filed pursuant to section 1 (3) of article V
17	of the state constitution against this act or an item, section, or part of this
18	act within such period, then the act, item, section, or part will not take
19	effect unless approved by the people at the general election to be held in
20	November 2022 and, in such case, will take effect on the date of the
21	official declaration of the vote thereon by the governor.

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