

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT
LB337

Hearing Date: Monday February 01, 2021
Committee On: Banking, Commerce and Insurance
Introducer: Kolterman
One Liner: Adopt the Step-Therapy Reform Act

Roll Call Vote - Final Committee Action:

Advanced to General File with amendment(s)

Vote Results:

Aye: 7 Senators Bostar, Flood, Lindstrom, McCollister, Pahls, Slama, Williams
Nay:
Absent:
Present Not Voting: 1 Senator Aguilar

Oral Testimony:

Proponents:

Tyler Mahood
Kristen Stiffler

Leslie Spry
Nikki Perry
Lisa Rhodes

Opponents:

Neutral:

Robert Bell
Eric Dunning

Representing:

Introducer
National Psoriasis Foundation / Nebraskans for Step
Therapy Reform
Nebraska Medical Association
Self
Self

Representing:

Representing:

Nebraska Insurance Federation
Blue Cross Blue Shield of Nebraska

Submitted Written Testimony:

Proponents:

Dexter Schrodtt
Katie Zulkoski
Andy Hale
Matt Schaefer
Jina Ragland
Jason Hayes
Michelle Weber
Bob Hallstrom
Cindy Maxwell-Ostdiek

Representing:

Nebraska Rheumatology Society
Bio Nebraska
Nebraska Hospital Association
Nebraska Oncology Society
AARP Nebraska
NSEA
Nebraska Academy of Physician Assistants
Nebraska Pharmacists Association
Self

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

This bill would enact seven new sections to be known as the Step-Therapy Reform Act. The bill provides for when a step-therapy protocol of a health carrier or utilization review organization should be overridden in favor of coverage of the prescription drug selected by a health care provider within applicable timeframes, based on a review of the request of the health care provider or covered person for an override, along with supporting rationale and documentation.

The bill would provide, section by section, as follows:

Section 1 would provide for a named act: The Step-Therapy Reform Act.

Section 2 would provide for definitions: (1) "Clinical practice guidelines"; (2) "Clinical review criteria"; (3) "Health carrier"; (4) "Step-therapy override exception"; (5) "Step-therapy protocol" (a protocol, policy, or program that establishes the specific sequence in which prescription drugs for a specified medical condition and medically appropriate for a particular covered person are covered under a pharmacy or medical benefit by a health carrier or a utilization review organization, including self-administered drugs and drugs administered by a health care provider); and (6) "Utilization review organization".

Section 3 would provide that a health carrier or utilization review organization shall consider available recognized evidence-based and peer-reviewed clinical practice guidelines when establishing a step-therapy protocol.

Section 4 would provide that when coverage of a prescription drug for the treatment of any medical condition is restricted for use by a health carrier or utilization review organization through the use of a step-therapy protocol, the prescribing health care provider and the covered person shall have access to a clear, readily accessible, and convenient process to request a step-therapy override exception.

Section 5 would provide that a step-therapy exception shall be approved by a health carrier or utilization review organization if any of the circumstances set out in this section apply. This section would further provide that upon the approval of a step-therapy override exception, the health carrier or utilization review organization shall authorize coverage for the prescription drug selected by the covered person's prescribing health care provider if the prescription drug is a covered prescription drug under the covered person's health benefit plan. This section would further provide that any denial of a request for a step-therapy override exception that is upheld on an internal appeal shall be considered a final adverse determination for purposes of the Health Carrier External Review Act and is eligible for a request for external review by a covered person or the covered person's authorized representative pursuant to the Health Carrier External Review Act.

Section 6 would provide the Director of Insurance with rule and regulation authority.

Section 7 would provide that the Step-Therapy Reform Act applies to all individual and group health insurance policies, contracts, and certificates issued by health carriers, self-funded nonfederal governmental plans, and state employee health plans offered by the State of Nebraska. This section would further provide that the act applies to any health insurance or health benefit plans delivered, issued for delivery, or renewed on or after January 1, 2022.

Section 8 would provide for the Step-Therapy Reform Act to be assigned to Chapter 44 (Insurance) of the statutes.

Explanation of amendments:

Section 5 provides that a step-therapy override exception shall be approved by a health carrier or utilization review

organization if, among other things, the covered person is currently receiving a positive therapeutic outcome on a prescription drug selected by the covered person's health care provider for the medical condition under consideration while under the covered person's current or previous health benefit plan. The committee amendments would provide that a pharmaceutical sample may not be used to meet this requirement.

The committee amendments would add a definition of "pharmaceutical sample" - a unit of a prescription drug that is not intended to be sold and is intended to promote the sale of the drug.

Matt Williams, Chairperson