

FLOOR AMENDMENT STATEMENT:	No	
LEGISLATIVE FISCAL NOTE S2166:	Yes	12-5-12
LEGISLATIVE FISCAL NOTE S2166 and 2336:	Yes	3-16-13
VETO MESSAGE:	No	
GOVERNOR'S PRESS RELEASE ON SIGNING:	No	

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS:	No
HEARINGS:	No
NEWSPAPER ARTICLES:	No

LAW/RWH

§1 - C.17:48-6ll
 §2 - C.17:48A-7ii
 §3 –
 C.17:48E-35.36
 §4 –
 C.17B:26-2.1ff
 §5 –
 C.17B:27-46.1ll
 §6 –
 C.17B:27A-7.19
 §7 –
 C.17B:27A-19.23
 §8 - C.26:2J-4.37
 §9 –
 C.52:14-17.29s
 §10 –
 C.52:14-17.46.6d
 §11 - Note

P.L.2013, CHAPTER 50, *approved May 6, 2013*
 Assembly, No. 3080

1 AN ACT concerning health benefits coverage for prescription eye
 2 drops and supplementing various parts of the statutory law.
 3
 4 **BE IT ENACTED** by the Senate and General Assembly of the State
 5 of New Jersey:
 6
 7 1. a. A hospital service corporation which provides hospital or
 8 medical expense benefits that include coverage for prescription eye
 9 drops under a contract delivered, issued, executed or renewed in
 10 this State, or approved for issuance or renewal in this State by the
 11 Commissioner of Banking and Insurance, on or after the effective
 12 date of this act, shall provide coverage for expenses incurred for
 13 refills of prescription eye drops in accordance with the Guidance for
 14 Early Refill Edits of Topical Ophthalmic Products provided to
 15 Medicare Part D plan sponsors by the Centers for Medicare and
 16 Medicaid Services of the U.S. Department of Health and Human
 17 Services, provided that:
 18 (1) the prescribing health care practitioner indicates on the
 19 original prescription that additional quantities of the prescription
 20 eye drops are needed; and
 21 (2) the refill requested by the subscriber or covered person does
 22 not exceed the number of additional quantities indicated on the
 23 original prescription by the prescribing health care practitioner.
 24 b. The provisions of this section shall apply to all hospital
 25 service corporation contracts in which the hospital service
 26 corporation has reserved the right to change the premium.

1 2. a. A medical service corporation which provides hospital or
2 medical expense benefits that include coverage for prescription eye
3 drops under a contract delivered, issued, executed or renewed in
4 this State, or approved for issuance or renewal in this State by the
5 Commissioner of Banking and Insurance, on or after the effective
6 date of this act, shall provide coverage for expenses incurred for
7 refills of prescription eye drops in accordance with the Guidance for
8 Early Refill Edits of Topical Ophthalmic Products provided to
9 Medicare Part D plan sponsors by the Centers for Medicare and
10 Medicaid Services of the U.S. Department of Health and Human
11 Services, provided that:

12 (1) the prescribing health care practitioner indicates on the
13 original prescription that additional quantities of the prescription
14 eye drops are needed; and

15 (2) the refill requested by the subscriber or covered person does
16 not exceed the number of additional quantities indicated on the
17 original prescription by the prescribing health care practitioner.

18 b. The provisions of this section shall apply to all medical
19 service corporation contracts in which the medical service
20 corporation has reserved the right to change the premium.

21

22 3. a. A health service corporation which provides hospital or
23 medical expense benefits that include coverage for prescription eye
24 drops under a contract delivered, issued, executed or renewed in
25 this State, or approved for issuance or renewal in this State by the
26 Commissioner of Banking and Insurance, on or after the effective
27 date of this act, shall provide coverage for expenses incurred for
28 refills of prescription eye drops in accordance with the Guidance for
29 Early Refill Edits of Topical Ophthalmic Products provided to
30 Medicare Part D plan sponsors by the Centers for Medicare and
31 Medicaid Services of the U.S. Department of Health and Human
32 Services, provided that:

33 (1) the prescribing health care practitioner indicates on the
34 original prescription that additional quantities of the prescription
35 eye drops are needed; and

36 (2) the refill requested by the subscriber or covered person does
37 not exceed the number of additional quantities indicated on the
38 original prescription by the prescribing health care practitioner.

39 b. The provisions of this section shall apply to all health
40 service corporation contracts in which the health service
41 corporation has reserved the right to change the premium.

42

43 4. a. An individual health insurer which provides hospital or
44 medical expense benefits that include coverage for prescription eye
45 drops under a policy delivered, issued, executed or renewed in this
46 State, or approved for issuance or renewal in this State by the
47 Commissioner of Banking and Insurance, on or after the effective
48 date of this act, shall provide coverage for expenses incurred for

1 refills of prescription eye drops in accordance with the Guidance for
2 Early Refill Edits of Topical Ophthalmic Products provided to
3 Medicare Part D plan sponsors by the Centers for Medicare and
4 Medicaid Services of the U.S. Department of Health and Human
5 Services, provided that:

6 (1) the prescribing health care practitioner indicates on the
7 original prescription that additional quantities of the prescription
8 eye drops are needed; and

9 (2) the refill requested by the insured or covered person does not
10 exceed the number of additional quantities indicated on the original
11 prescription by the prescribing health care practitioner.

12 b. The provisions of this section shall apply to those policies in
13 which the insurer has reserved the right to change the premium.
14

15 5. a. A group health insurer which provides hospital or medical
16 expense benefits that include coverage for prescription eye drops,
17 under a policy delivered, issued, executed or renewed in this State,
18 or approved for issuance or renewal in this State by the
19 Commissioner of Banking and Insurance, on or after the effective
20 date of this act, shall provide coverage for expenses incurred for
21 refills of prescription eye drops in accordance with the Guidance for
22 Early Refill Edits of Topical Ophthalmic Products provided to
23 Medicare Part D plan sponsors by the Centers for Medicare and
24 Medicaid Services of the U.S. Department of Health and Human
25 Services, provided that:

26 (1) the prescribing health care practitioner indicates on the
27 original prescription that additional quantities of the prescription
28 eye drops are needed; and

29 (2) the refill requested by the insured or covered person does not
30 exceed the number of additional quantities indicated on the original
31 prescription by the prescribing health care practitioner.

32 b. The provisions of this section shall apply to all policies in
33 which the insurer has reserved the right to change the premium.
34

35 6. a. An individual health benefits plan which provides
36 hospital or medical expense benefits that include coverage for
37 prescription eye drops under a contract delivered, issued, executed
38 or renewed in this State, or approved for issuance or renewal in this
39 State by the Commissioner of Banking and Insurance, on or after
40 the effective date of this act, shall provide coverage for expenses
41 incurred for refills of prescription eye drops in accordance with the
42 Guidance for Early Refill Edits of Topical Ophthalmic Products
43 provided to Medicare Part D plan sponsors by the Centers for
44 Medicare and Medicaid Services of the U.S. Department of Health
45 and Human Services, provided that:

46 (1) the prescribing health care practitioner indicates on the
47 original prescription that additional quantities of the prescription
48 eye drops are needed; and

1 (2) the refill requested by the covered person does not exceed
2 the number of additional quantities indicated on the original
3 prescription by the prescribing health care practitioner.

4 b. The provisions of this section shall apply to all individual
5 health benefits plans in which the carrier has reserved the right to
6 change the premium.

7

8 7. a. A small employer health benefits plan which provides
9 hospital or medical expense benefits that include coverage for
10 prescription eye drops under a contract delivered, issued, executed
11 or renewed in this State, or approved for issuance or renewal in this
12 State by the Commissioner of Banking and Insurance, on or after
13 the effective date of this act, shall provide coverage for expenses
14 incurred for refills of prescription eye drops in accordance with the
15 Guidance for Early Refill Edits of Topical Ophthalmic Products
16 provided to Medicare Part D plan sponsors by the Centers for
17 Medicare and Medicaid Services of the U.S. Department of Health
18 and Human Services, provided that:

19 (1) the prescribing health care practitioner indicates on the
20 original prescription that additional quantities of the prescription
21 eye drops are needed; and

22 (2) the refill requested by the subscriber or covered person does
23 not exceed the number of additional quantities indicated on the
24 original prescription by the prescribing health care practitioner.

25 b. The provisions of this section shall apply to all small
26 employer health benefits plans in which the carrier has reserved the
27 right to change the premium.

28

29 8. a. A health maintenance organization contract which
30 provides hospital or medical expense benefits that include coverage
31 for prescription eye drops, issued or continued in this State, or
32 approved for issuance or renewal in this State by the Commissioner
33 of Banking and Insurance on or after the effective date of this act,
34 shall provide coverage for expenses incurred for refills of
35 prescription eye drops in accordance with the Guidance for Early
36 Refill Edits of Topical Ophthalmic Products provided to Medicare
37 Part D plan sponsors by the Centers for Medicare and Medicaid
38 Services of the U.S. Department of Health and Human Services,
39 provided that:

40 (1) the prescribing health care practitioner indicates on the
41 original prescription that additional quantities of the prescription
42 eye drops are needed; and

43 (2) the refill requested by the enrollee or covered person does
44 not exceed the number of additional quantities indicated on the
45 original prescription by the prescribing health care practitioner.

46 b. The provisions of this section shall apply to those contracts
47 for health care services by health maintenance organizations under

1 which the health maintenance organization has reserved the right to
2 change the schedule of charges.

3
4 9. The State Health Benefits Commission shall ensure that
5 every contract purchased by the commission on or after the
6 effective date of this act that provides hospital or medical expense
7 benefits that include coverage for prescription eye drops, shall
8 provide coverage for expenses incurred for refills of prescription
9 eye drops in accordance with the Guidance for Early Refill Edits of
10 Topical Ophthalmic Products provided to Medicare Part D plan
11 sponsors by the Centers for Medicare and Medicaid Services of the
12 U.S. Department of Health and Human Services, provided that:

13 (1) the prescribing health care practitioner indicates on the
14 original prescription that additional quantities of the prescription
15 eye drops are needed; and

16 (2) the refill requested by the covered person does not exceed
17 the number of additional quantities indicated on the original
18 prescription by the prescribing health care practitioner.

19
20 10. The School Employees' Health Benefits Commission shall
21 ensure that every contract purchased by the commission on or after
22 the effective date of this act that provides hospital or medical
23 expense benefits that include coverage for prescription eye drops,
24 shall provide coverage for expenses incurred for refills of
25 prescription eye drops in accordance with the Guidance for Early
26 Refill Edits of Topical Ophthalmic Products provided to Medicare
27 Part D plan sponsors by the Centers for Medicare and Medicaid
28 Services of the U.S. Department of Health and Human Services,
29 provided that:

30 (1) the prescribing health care practitioner indicates on the
31 original prescription that additional quantities of the prescription
32 eye drops are needed; and

33 (2) the refill requested by the covered person does not exceed
34 the number of additional quantities indicated on the original
35 prescription by the prescribing health care practitioner.

36
37 11. This act shall take effect on the 90th day after enactment.

38

39

40

STATEMENT

41

42 This bill requires, in certain circumstances, health insurers
43 (health, hospital and medical service corporations, commercial
44 individual and group health insurers; health maintenance
45 organizations, health benefits plans issued pursuant to the New
46 Jersey Individual Health Coverage and Small Employer Health
47 Benefits Programs, the State Health Benefits Program, and the
48 School Employees' Health Benefits Program) that provide coverage

1 for prescription eye drops, to provide health benefits coverage for
2 expenses incurred for a refill of prescription eye drops in
3 accordance with Guidance for Early Refill Edits on Topical
4 Ophthalmic Products provided to Medicare Part D plan sponsors by
5 the Centers for Medicare and Medicaid Services.

6 The requirement to provide this coverage is conditioned on two
7 factors: (1) the prescribing health care practitioner indicates on the
8 original prescription that additional quantities of the prescription
9 eye drops are needed; and (2) the refill requested does not exceed
10 the number of additional quantities indicated on the original
11 prescription by the prescribing health care practitioner.

12 The Centers for Medicaid and Medicare Services issued
13 guidance on topical ophthalmics to prevent the unintended
14 interruption of drug therapy in situations in which patients
15 legitimately need earlier refills of prescription eye drops. While the
16 guidance acknowledges that health insurers monitor appropriate
17 refill periods as part of utilization management, the guidance also
18 recognizes that the self-administration of prescription eye drops
19 may involve some reasonable amount of waste and that earlier
20 refills may be appropriate in some circumstances.

21

22

23

24

25 _____
26 Requires health benefits coverage for refills of prescription eye
drops under certain conditions.

ASSEMBLY, No. 3080

STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED JUNE 14, 2012

Sponsored by:

Assemblyman GARY S. SCHAER

District 36 (Bergen and Passaic)

Assemblywoman PAMELA R. LAMPITT

District 6 (Burlington and Camden)

Assemblyman THOMAS P. GIBLIN

District 34 (Essex and Passaic)

Assemblywoman GABRIELA M. MOSQUERA

District 4 (Camden and Gloucester)

Co-Sponsored by:

**Assemblymen Moriarty, Wimberly, Senators Madden, Sweeney,
Thompson, Weinberg and Ruiz**

SYNOPSIS

Requires health benefits coverage for refills of prescription eye drops under certain conditions.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/19/2013)

1 AN ACT concerning health benefits coverage for prescription eye
2 drops and supplementing various parts of the statutory law.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. a. A hospital service corporation which provides hospital or
8 medical expense benefits that include coverage for prescription eye
9 drops under a contract delivered, issued, executed or renewed in
10 this State, or approved for issuance or renewal in this State by the
11 Commissioner of Banking and Insurance, on or after the effective
12 date of this act, shall provide coverage for expenses incurred for
13 refills of prescription eye drops in accordance with the Guidance for
14 Early Refill Edits of Topical Ophthalmic Products provided to
15 Medicare Part D plan sponsors by the Centers for Medicare and
16 Medicaid Services of the U.S. Department of Health and Human
17 Services, provided that:

18 (1) the prescribing health care practitioner indicates on the
19 original prescription that additional quantities of the prescription
20 eye drops are needed; and

21 (2) the refill requested by the subscriber or covered person does
22 not exceed the number of additional quantities indicated on the
23 original prescription by the prescribing health care practitioner.

24 b. The provisions of this section shall apply to all hospital
25 service corporation contracts in which the hospital service
26 corporation has reserved the right to change the premium.

27

28 2. a. A medical service corporation which provides hospital or
29 medical expense benefits that include coverage for prescription eye
30 drops under a contract delivered, issued, executed or renewed in
31 this State, or approved for issuance or renewal in this State by the
32 Commissioner of Banking and Insurance, on or after the effective
33 date of this act, shall provide coverage for expenses incurred for
34 refills of prescription eye drops in accordance with the Guidance for
35 Early Refill Edits of Topical Ophthalmic Products provided to
36 Medicare Part D plan sponsors by the Centers for Medicare and
37 Medicaid Services of the U.S. Department of Health and Human
38 Services, provided that:

39 (1) the prescribing health care practitioner indicates on the
40 original prescription that additional quantities of the prescription
41 eye drops are needed; and

42 (2) the refill requested by the subscriber or covered person does
43 not exceed the number of additional quantities indicated on the
44 original prescription by the prescribing health care practitioner.

45 b. The provisions of this section shall apply to all medical
46 service corporation contracts in which the medical service
47 corporation has reserved the right to change the premium.

1 3. a. A health service corporation which provides hospital or
2 medical expense benefits that include coverage for prescription eye
3 drops under a contract delivered, issued, executed or renewed in
4 this State, or approved for issuance or renewal in this State by the
5 Commissioner of Banking and Insurance, on or after the effective
6 date of this act, shall provide coverage for expenses incurred for
7 refills of prescription eye drops in accordance with the Guidance for
8 Early Refill Edits of Topical Ophthalmic Products provided to
9 Medicare Part D plan sponsors by the Centers for Medicare and
10 Medicaid Services of the U.S. Department of Health and Human
11 Services, provided that:

12 (1) the prescribing health care practitioner indicates on the
13 original prescription that additional quantities of the prescription
14 eye drops are needed; and

15 (2) the refill requested by the subscriber or covered person does
16 not exceed the number of additional quantities indicated on the
17 original prescription by the prescribing health care practitioner.

18 b. The provisions of this section shall apply to all health
19 service corporation contracts in which the health service
20 corporation has reserved the right to change the premium.

21

22 4. a. An individual health insurer which provides hospital or
23 medical expense benefits that include coverage for prescription eye
24 drops under a policy delivered, issued, executed or renewed in this
25 State, or approved for issuance or renewal in this State by the
26 Commissioner of Banking and Insurance, on or after the effective
27 date of this act, shall provide coverage for expenses incurred for
28 refills of prescription eye drops in accordance with the Guidance for
29 Early Refill Edits of Topical Ophthalmic Products provided to
30 Medicare Part D plan sponsors by the Centers for Medicare and
31 Medicaid Services of the U.S. Department of Health and Human
32 Services, provided that:

33 (1) the prescribing health care practitioner indicates on the
34 original prescription that additional quantities of the prescription
35 eye drops are needed; and

36 (2) the refill requested by the insured or covered person does not
37 exceed the number of additional quantities indicated on the original
38 prescription by the prescribing health care practitioner.

39 b. The provisions of this section shall apply to those policies in
40 which the insurer has reserved the right to change the premium.

41

42 5. a. A group health insurer which provides hospital or medical
43 expense benefits that include coverage for prescription eye drops,
44 under a policy delivered, issued, executed or renewed in this State,
45 or approved for issuance or renewal in this State by the
46 Commissioner of Banking and Insurance, on or after the effective
47 date of this act, shall provide coverage for expenses incurred for
48 refills of prescription eye drops in accordance with the Guidance for

1 Early Refill Edits of Topical Ophthalmic Products provided to
2 Medicare Part D plan sponsors by the Centers for Medicare and
3 Medicaid Services of the U.S. Department of Health and Human
4 Services, provided that:

5 (1) the prescribing health care practitioner indicates on the
6 original prescription that additional quantities of the prescription
7 eye drops are needed; and

8 (2) the refill requested by the insured or covered person does not
9 exceed the number of additional quantities indicated on the original
10 prescription by the prescribing health care practitioner.

11 b. The provisions of this section shall apply to all policies in
12 which the insurer has reserved the right to change the premium.

13

14 6. a. An individual health benefits plan which provides
15 hospital or medical expense benefits that include coverage for
16 prescription eye drops under a contract delivered, issued, executed
17 or renewed in this State, or approved for issuance or renewal in this
18 State by the Commissioner of Banking and Insurance, on or after
19 the effective date of this act, shall provide coverage for expenses
20 incurred for refills of prescription eye drops in accordance with the
21 Guidance for Early Refill Edits of Topical Ophthalmic Products
22 provided to Medicare Part D plan sponsors by the Centers for
23 Medicare and Medicaid Services of the U.S. Department of Health
24 and Human Services, provided that:

25 (1) the prescribing health care practitioner indicates on the
26 original prescription that additional quantities of the prescription
27 eye drops are needed; and

28 (2) the refill requested by the covered person does not exceed
29 the number of additional quantities indicated on the original
30 prescription by the prescribing health care practitioner.

31 b. The provisions of this section shall apply to all individual
32 health benefits plans in which the carrier has reserved the right to
33 change the premium.

34

35 7. a. A small employer health benefits plan which provides
36 hospital or medical expense benefits that include coverage for
37 prescription eye drops under a contract delivered, issued, executed
38 or renewed in this State, or approved for issuance or renewal in this
39 State by the Commissioner of Banking and Insurance, on or after
40 the effective date of this act, shall provide coverage for expenses
41 incurred for refills of prescription eye drops in accordance with the
42 Guidance for Early Refill Edits of Topical Ophthalmic Products
43 provided to Medicare Part D plan sponsors by the Centers for
44 Medicare and Medicaid Services of the U.S. Department of Health
45 and Human Services, provided that:

46 (1) the prescribing health care practitioner indicates on the
47 original prescription that additional quantities of the prescription
48 eye drops are needed; and

1 (2) the refill requested by the subscriber or covered person does
2 not exceed the number of additional quantities indicated on the
3 original prescription by the prescribing health care practitioner.

4 b. The provisions of this section shall apply to all small
5 employer health benefits plans in which the carrier has reserved the
6 right to change the premium.

7
8 8. a. A health maintenance organization contract which
9 provides hospital or medical expense benefits that include coverage
10 for prescription eye drops, issued or continued in this State, or
11 approved for issuance or renewal in this State by the Commissioner
12 of Banking and Insurance on or after the effective date of this act,
13 shall provide coverage for expenses incurred for refills of
14 prescription eye drops in accordance with the Guidance for Early
15 Refill Edits of Topical Ophthalmic Products provided to Medicare
16 Part D plan sponsors by the Centers for Medicare and Medicaid
17 Services of the U.S. Department of Health and Human Services,
18 provided that:

19 (1) the prescribing health care practitioner indicates on the
20 original prescription that additional quantities of the prescription
21 eye drops are needed; and

22 (2) the refill requested by the enrollee or covered person does
23 not exceed the number of additional quantities indicated on the
24 original prescription by the prescribing health care practitioner.

25 b. The provisions of this section shall apply to those contracts
26 for health care services by health maintenance organizations under
27 which the health maintenance organization has reserved the right to
28 change the schedule of charges.

29
30 9. The State Health Benefits Commission shall ensure that
31 every contract purchased by the commission on or after the
32 effective date of this act that provides hospital or medical expense
33 benefits that include coverage for prescription eye drops, shall
34 provide coverage for expenses incurred for refills of prescription
35 eye drops in accordance with the Guidance for Early Refill Edits of
36 Topical Ophthalmic Products provided to Medicare Part D plan
37 sponsors by the Centers for Medicare and Medicaid Services of the
38 U.S. Department of Health and Human Services, provided that:

39 (1) the prescribing health care practitioner indicates on the
40 original prescription that additional quantities of the prescription
41 eye drops are needed; and

42 (2) the refill requested by the covered person does not exceed
43 the number of additional quantities indicated on the original
44 prescription by the prescribing health care practitioner.

45
46 10. The School Employees' Health Benefits Commission shall
47 ensure that every contract purchased by the commission on or after
48 the effective date of this act that provides hospital or medical

1 expense benefits that include coverage for prescription eye drops,
2 shall provide coverage for expenses incurred for refills of
3 prescription eye drops in accordance with the Guidance for Early
4 Refill Edits of Topical Ophthalmic Products provided to Medicare
5 Part D plan sponsors by the Centers for Medicare and Medicaid
6 Services of the U.S. Department of Health and Human Services,
7 provided that:

8 (1) the prescribing health care practitioner indicates on the
9 original prescription that additional quantities of the prescription
10 eye drops are needed; and

11 (2) the refill requested by the covered person does not exceed
12 the number of additional quantities indicated on the original
13 prescription by the prescribing health care practitioner.

14

15 11. This act shall take effect on the 90th day after enactment.

16

17

18

STATEMENT

19

20 This bill requires, in certain circumstances, health insurers
21 (health, hospital and medical service corporations, commercial
22 individual and group health insurers; health maintenance
23 organizations, health benefits plans issued pursuant to the New
24 Jersey Individual Health Coverage and Small Employer Health
25 Benefits Programs, the State Health Benefits Program, and the
26 School Employees' Health Benefits Program) that provide coverage
27 for prescription eye drops, to provide health benefits coverage for
28 expenses incurred for a refill of prescription eye drops in
29 accordance with Guidance for Early Refill Edits on Topical
30 Ophthalmic Products provided to Medicare Part D plan sponsors by
31 the Centers for Medicare and Medicaid Services.

32 The requirement to provide this coverage is conditioned on two
33 factors: (1) the prescribing health care practitioner indicates on the
34 original prescription that additional quantities of the prescription
35 eye drops are needed; and (2) the refill requested does not exceed
36 the number of additional quantities indicated on the original
37 prescription by the prescribing health care practitioner.

38 The Centers for Medicaid and Medicare Services issued
39 guidance on topical ophthalmics to prevent the unintended
40 interruption of drug therapy in situations in which patients
41 legitimately need earlier refills of prescription eye drops. While the
42 guidance acknowledges that health insurers monitor appropriate
43 refill periods as part of utilization management, the guidance also
44 recognizes that the self-administration of prescription eye drops
45 may involve some reasonable amount of waste and that earlier
46 refills may be appropriate in some circumstances.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3080

STATE OF NEW JERSEY

DATED: SEPTEMBER 24, 2012

The Assembly Financial Institutions and Insurance Committee reports favorably Assembly Bill No. 3080.

This bill requires, in certain circumstances, health insurers (health, hospital and medical service corporations, commercial individual and group health insurers; health maintenance organizations, health benefits plans issued pursuant to the New Jersey Individual Health Coverage and Small Employer Health Benefits Programs, the State Health Benefits Program, and the School Employees' Health Benefits Program) that provide coverage for prescription eye drops, to provide health benefits coverage for expenses incurred for a refill of prescription eye drops in accordance with Guidance for Early Refill Edits on Topical Ophthalmic Products provided to Medicare Part D plan sponsors by the Centers for Medicare and Medicaid Services.

The requirement to provide this coverage is conditioned on two factors: (1) the prescribing health care practitioner indicates on the original prescription that additional quantities of the prescription eye drops are needed; and (2) the refill requested does not exceed the number of additional quantities indicated on the original prescription by the prescribing health care practitioner.

The Centers for Medicaid and Medicare Services issued guidance on topical ophthalmics to prevent the unintended interruption of drug therapy in situations in which patients legitimately need earlier refills of prescription eye drops. While the guidance acknowledges that health insurers monitor appropriate refill periods as part of utilization management, the guidance also recognizes that the self-administration of prescription eye drops may involve some reasonable amount of waste and that earlier refills may be appropriate in some circumstances.

FISCAL NOTE
ASSEMBLY, No. 3080
STATE OF NEW JERSEY
215th LEGISLATURE

DATED: DECEMBER 5, 2012

SUMMARY

- Synopsis:** Requires health benefits coverage for refills of prescription eye drops under certain conditions.
- Type of Impact:** Expenditure Increase to the State General Fund, Local Government Funds, Board of Education Funds.
- Agencies Affected:** The Division of Pensions and Benefits in the Department of the Treasury; local government entities and boards of education.

Executive Estimate

Fiscal Impact	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
State Cost	\$214,592	\$231,760	\$250,300
Local Cost	\$165,408	\$178,640	\$192,932
Total Cost	\$380,000	\$410,400	\$443,232

The Division of Pensions and Benefits assumed a medical inflation rate of 8 percent.

- The Office of Legislative Services (OLS) **concurs** with the Executive estimate.
- This bill would change the State Health Benefits Program/School Employees' Health Benefits Program (SHBP/SEHBP) prescription drug policy regarding the frequency of refills for prescription eye drops to coincide with the policy of the Centers for Medicare and Medicaid Services (CMS) for Medicare Part D plan sponsors for topical ophthalmic products.
- Under this bill, the SHBP/SEHBP would be required to apply the CMS's policy to all active plan participants and non-Medicare eligible retirees thereby increasing costs to the State in FY 2013 by \$214,592 and costs to the local governments by \$165,408.

BILL DESCRIPTION

Assembly Bill No. 3080 of 2012 requires, in certain circumstances, health insurers (health, hospital and medical service corporations, commercial individual and group health insurers,

health maintenance organizations, health benefits plans issued pursuant to the New Jersey Individual Health Coverage and Small Employer Health Benefits Programs, the SHBP/SEHBP that provide coverage for prescription eye drops, to provide health benefits coverage for expenses incurred for a refill of prescription eye drops in accordance with the Guidance for Early Refill Edits on Topical Ophthalmic Products provided to Medicare Part D plan sponsors by the CMS.

The requirement to provide this coverage is conditioned on two factors: (1) the prescribing health care practitioner indicates on the original prescription that additional quantities of the prescription eye drops are needed; and (2) the refill requested does not exceed the number of additional quantities indicated on the original prescription by the prescribing health care practitioner.

The CMS issued guidance on topical ophthalmics to prevent the unintended interruption of drug therapy in situations in which patients legitimately need earlier refills of prescription eye drops. While the guidance acknowledges that health insurers monitor appropriate refill periods as part of utilization management, the guidance also recognizes that the self-administration of prescription eye drops may involve some reasonable amount of waste and that earlier refills may be appropriate in some circumstances.

FISCAL ANALYSIS

EXECUTIVE BRANCH

According to the Division of Pensions and Benefits, this bill would change the SHBP/SEHBP prescription drug policy regarding the frequency of refills for prescription eye drops to coincide with the policy of the CMS for Medicare Part D plan sponsors for topical ophthalmic products. Because all Medicare eligible retirees in the SHBP/SEHBP are Medicare Part D participants, the SHBP/SEHBP is obligated to adopt the CMS's guidelines as it relates to this group even if the bill is not enacted. If this bill is enacted, the SHBP/SEHBP would be required to apply the CMS's policy to all active plan participants and non-Medicare eligible retirees thereby increasing costs to the State in FY 2013 by \$214,592 and costs to the local governments by \$165,408. Total cost increases with an assumed annual inflation rate of eight percent, would be \$380,000 for FY 2013, \$410,400 for FY 2014, and \$443,232 for FY 2015.

OFFICE OF LEGISLATIVE SERVICES

The OLS concurs with the Executive estimate. The OLS notes that Express Scripts estimates that the provisions of this bill will increase costs to the SHBP/SEHBP by less than 0.01 percent.

Section: State Government

Analyst: Kimberly McCord Clemmensen
Senior Fiscal Analyst

Approved: David J. Rosen
Legislative Budget and Finance Officer

This fiscal note has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE COMMERCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3080

STATE OF NEW JERSEY

DATED: JANUARY 14, 2013

The Senate Commerce Committee reports favorably Assembly Bill No. 3080.

This bill requires, in certain circumstances, health insurers (health, hospital and medical service corporations, commercial individual and group health insurers; health maintenance organizations, health benefits plans issued pursuant to the New Jersey Individual Health Coverage and Small Employer Health Benefits Programs, the State Health Benefits Program, and the School Employees' Health Benefits Program) that provide coverage for prescription eye drops, to provide health benefits coverage for expenses incurred for a refill of prescription eye drops in accordance with Guidance for Early Refill Edits on Topical Ophthalmic Products provided to Medicare Part D plan sponsors by the Centers for Medicare and Medicaid Services.

The requirement to provide this coverage is conditioned on two factors: (1) the prescribing health care practitioner indicates on the original prescription that additional quantities of the prescription eye drops are needed; and (2) the refill requested does not exceed the number of additional quantities indicated on the original prescription by the prescribing health care practitioner.

The Centers for Medicaid and Medicare Services issued guidance on topical ophthalmics to prevent the unintended interruption of drug therapy in situations in which patients legitimately need earlier refills of prescription eye drops. While the guidance acknowledges that health insurers monitor appropriate refill periods as part of utilization management, the guidance also recognizes that the self-administration of prescription eye drops may involve some reasonable amount of waste and that earlier refills may be appropriate in some circumstances.

This bill is identical to the Senate Committee Substitute for Senate Bill Nos. 2166 and 2336, which was also released favorably by the committee.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3080

STATE OF NEW JERSEY

DATED: MARCH 4, 2013

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 3080.

This bill requires, in certain circumstances, health insurers (health, hospital and medical service corporations, commercial individual and group health insurers; health maintenance organizations, health benefits plans issued pursuant to the New Jersey Individual Health Coverage and Small Employer Health Benefits Programs, the State Health Benefits Program, and the School Employees' Health Benefits Program) that provide coverage for prescription eye drops, to provide health benefits coverage for expenses incurred for a refill of prescription eye drops in accordance with Guidance for Early Refill Edits on Topical Ophthalmic Products provided to Medicare Part D plan sponsors by the Centers for Medicare and Medicaid Services.

The requirement to provide this coverage is conditioned on two factors: (1) the prescribing health care practitioner indicates on the original prescription that additional quantities of the prescription eye drops are needed; and (2) the refill requested does not exceed the number of additional quantities indicated on the original prescription by the prescribing health care practitioner.

The Centers for Medicaid and Medicare Services issued guidance on topical ophthalmics to prevent the unintended interruption of drug therapy in situations in which patients legitimately need earlier refills of prescription eye drops. While the guidance acknowledges that health insurers monitor appropriate refill periods as part of utilization management, the guidance also recognizes that the self-administration of prescription eye drops may involve some reasonable amount of waste and that earlier refills may be appropriate in some circumstances.

As reported, this bill is identical to the SCS for Senate Bill Nos. 2166 and 2336, which was also reported by the committee.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concurs with the Executive estimate in the Fiscal Note for this bill. This bill would change the State Health Benefits Program/School Employees' Health

Benefits Program (SHBP/SEHBP) prescription drug policy regarding the frequency of refills for prescription eye drops to coincide with the policy of the Centers for Medicare and Medicaid Services (CMS) for Medicare Part D plan sponsors for topical ophthalmic products.

Under this bill, the SHBP/SEHBP would be required to apply the CMS's policy to all active plan participants and non-Medicare eligible retirees thereby increasing costs to the State in FY 2013 by \$214,592 and costs to the local governments by \$165,408, totaling \$380,000. Total State and local government costs increase annually with an assumed annual medical inflation rate of eight percent, to \$410,400 for FY 2014, and \$443,232 for FY 2015.

The OLS notes that Express Scripts estimates that the provisions of this bill will increase costs to the SHBP/SEHBP by less than 0.01 percent.

SENATE, No. 2166

STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED AUGUST 20, 2012

Sponsored by:

Senator SAMUEL D. THOMPSON

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Senator LORETTA WEINBERG

District 37 (Bergen)

SYNOPSIS

Requires health benefits coverage for refills of prescription eye drops under certain conditions.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/18/2012)

1 AN ACT concerning health benefits coverage for prescription eye
2 drops and supplementing various parts of the statutory law.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. a. A hospital service corporation which provides hospital or
8 medical expense benefits that include coverage for prescription eye
9 drops under a contract delivered, issued, executed or renewed in
10 this State, or approved for issuance or renewal in this State by the
11 Commissioner of Banking and Insurance, on or after the effective
12 date of this act, shall provide coverage for expenses incurred for
13 refills of prescription eye drops in accordance with the Guidance for
14 Early Refill Edits of Topical Ophthalmic Products provided to
15 Medicare Part D plan sponsors by the Centers for Medicare and
16 Medicaid Services of the U.S. Department of Health and Human
17 Services, provided that:

18 (1) the prescribing health care practitioner indicates on the
19 original prescription that additional quantities of the prescription
20 eye drops are needed; and

21 (2) the refill requested by the subscriber or covered person does
22 not exceed the number of additional quantities indicated on the
23 original prescription by the prescribing health care practitioner.

24 b. The provisions of this section shall apply to all hospital
25 service corporation contracts in which the hospital service
26 corporation has reserved the right to change the premium.

27
28 2. a. A medical service corporation which provides hospital or
29 medical expense benefits that include coverage for prescription eye
30 drops under a contract delivered, issued, executed or renewed in
31 this State, or approved for issuance or renewal in this State by the
32 Commissioner of Banking and Insurance, on or after the effective
33 date of this act, shall provide coverage for expenses incurred for
34 refills of prescription eye drops in accordance with the Guidance for
35 Early Refill Edits of Topical Ophthalmic Products provided to
36 Medicare Part D plan sponsors by the Centers for Medicare and
37 Medicaid Services of the U.S. Department of Health and Human
38 Services, provided that:

39 (1) the prescribing health care practitioner indicates on the
40 original prescription that additional quantities of the prescription
41 eye drops are needed; and

42 (2) the refill requested by the subscriber or covered person does
43 not exceed the number of additional quantities indicated on the
44 original prescription by the prescribing health care practitioner.

45 b. The provisions of this section shall apply to all medical
46 service corporation contracts in which the medical service
47 corporation has reserved the right to change the premium.

1 3. a. A health service corporation which provides hospital or
2 medical expense benefits that include coverage for prescription eye
3 drops under a contract delivered, issued, executed or renewed in
4 this State, or approved for issuance or renewal in this State by the
5 Commissioner of Banking and Insurance, on or after the effective
6 date of this act, shall provide coverage for expenses incurred for
7 refills of prescription eye drops in accordance with the Guidance for
8 Early Refill Edits of Topical Ophthalmic Products provided to
9 Medicare Part D plan sponsors by the Centers for Medicare and
10 Medicaid Services of the U.S. Department of Health and Human
11 Services, provided that:

12 (1) the prescribing health care practitioner indicates on the
13 original prescription that additional quantities of the prescription
14 eye drops are needed; and

15 (2) the refill requested by the subscriber or covered person does
16 not exceed the number of additional quantities indicated on the
17 original prescription by the prescribing health care practitioner.

18 b. The provisions of this section shall apply to all health
19 service corporation contracts in which the health service
20 corporation has reserved the right to change the premium.

21

22 4. a. An individual health insurer which provides hospital or
23 medical expense benefits that include coverage for prescription eye
24 drops under a policy delivered, issued, executed or renewed in this
25 State, or approved for issuance or renewal in this State by the
26 Commissioner of Banking and Insurance, on or after the effective
27 date of this act, shall provide coverage for expenses incurred for
28 refills of prescription eye drops in accordance with the Guidance for
29 Early Refill Edits of Topical Ophthalmic Products provided to
30 Medicare Part D plan sponsors by the Centers for Medicare and
31 Medicaid Services of the U.S. Department of Health and Human
32 Services, provided that:

33 (1) the prescribing health care practitioner indicates on the
34 original prescription that additional quantities of the prescription
35 eye drops are needed; and

36 (2) the refill requested by the insured or covered person does not
37 exceed the number of additional quantities indicated on the original
38 prescription by the prescribing health care practitioner.

39 b. The provisions of this section shall apply to those policies in
40 which the insurer has reserved the right to change the premium.

41

42 5. a. A group health insurer which provides hospital or medical
43 expense benefits that include coverage for prescription eye drops,
44 under a policy delivered, issued, executed or renewed in this State,
45 or approved for issuance or renewal in this State by the
46 Commissioner of Banking and Insurance, on or after the effective
47 date of this act, shall provide coverage for expenses incurred for
48 refills of prescription eye drops in accordance with the Guidance for
49 Early Refill Edits of Topical Ophthalmic Products provided to

1 Medicare Part D plan sponsors by the Centers for Medicare and
2 Medicaid Services of the U.S. Department of Health and Human
3 Services, provided that:

4 (1) the prescribing health care practitioner indicates on the
5 original prescription that additional quantities of the prescription
6 eye drops are needed; and

7 (2) the refill requested by the insured or covered person does not
8 exceed the number of additional quantities indicated on the original
9 prescription by the prescribing health care practitioner.

10 b. The provisions of this section shall apply to all policies in
11 which the insurer has reserved the right to change the premium.

12
13 6. a. An individual health benefits plan which provides
14 hospital or medical expense benefits that include coverage for
15 prescription eye drops under a contract delivered, issued, executed
16 or renewed in this State, or approved for issuance or renewal in this
17 State by the Commissioner of Banking and Insurance, on or after
18 the effective date of this act, shall provide coverage for expenses
19 incurred for refills of prescription eye drops in accordance with the
20 Guidance for Early Refill Edits of Topical Ophthalmic Products
21 provided to Medicare Part D plan sponsors by the Centers for
22 Medicare and Medicaid Services of the U.S. Department of Health
23 and Human Services, provided that:

24 (1) the prescribing health care practitioner indicates on the
25 original prescription that additional quantities of the prescription
26 eye drops are needed; and

27 (2) the refill requested by the covered person does not exceed
28 the number of additional quantities indicated on the original
29 prescription by the prescribing health care practitioner.

30 b. The provisions of this section shall apply to all individual
31 health benefits plans in which the carrier has reserved the right to
32 change the premium.

33
34 7. a. A small employer health benefits plan which provides
35 hospital or medical expense benefits that include coverage for
36 prescription eye drops under a contract delivered, issued, executed
37 or renewed in this State, or approved for issuance or renewal in this
38 State by the Commissioner of Banking and Insurance, on or after
39 the effective date of this act, shall provide coverage for expenses
40 incurred for refills of prescription eye drops in accordance with the
41 Guidance for Early Refill Edits of Topical Ophthalmic Products
42 provided to Medicare Part D plan sponsors by the Centers for
43 Medicare and Medicaid Services of the U.S. Department of Health
44 and Human Services, provided that:

45 (1) the prescribing health care practitioner indicates on the
46 original prescription that additional quantities of the prescription
47 eye drops are needed; and

1 (2) the refill requested by the subscriber or covered person does
2 not exceed the number of additional quantities indicated on the
3 original prescription by the prescribing health care practitioner.

4 b. The provisions of this section shall apply to all small
5 employer health benefits plans in which the carrier has reserved the
6 right to change the premium.

7
8 8. a. A health maintenance organization contract which
9 provides hospital or medical expense benefits that include coverage
10 for prescription eye drops, issued or continued in this State, or
11 approved for issuance or renewal in this State by the Commissioner
12 of Banking and Insurance on or after the effective date of this act,
13 shall provide coverage for expenses incurred for refills of
14 prescription eye drops in accordance with the Guidance for Early
15 Refill Edits of Topical Ophthalmic Products provided to Medicare
16 Part D plan sponsors by the Centers for Medicare and Medicaid
17 Services of the U.S. Department of Health and Human Services,
18 provided that:

19 (1) the prescribing health care practitioner indicates on the
20 original prescription that additional quantities of the prescription
21 eye drops are needed; and

22 (2) the refill requested by the enrollee or covered person does
23 not exceed the number of additional quantities indicated on the
24 original prescription by the prescribing health care practitioner.

25 b. The provisions of this section shall apply to those contracts
26 for health care services by health maintenance organizations under
27 which the health maintenance organization has reserved the right to
28 change the schedule of charges.

29
30 9. The State Health Benefits Commission shall ensure that
31 every contract purchased by the commission on or after the
32 effective date of this act that provides hospital or medical expense
33 benefits that include coverage for prescription eye drops, shall
34 provide coverage for expenses incurred for refills of prescription
35 eye drops in accordance with the Guidance for Early Refill Edits of
36 Topical Ophthalmic Products provided to Medicare Part D plan
37 sponsors by the Centers for Medicare and Medicaid Services of the
38 U.S. Department of Health and Human Services, provided that:

39 (1) the prescribing health care practitioner indicates on the
40 original prescription that additional quantities of the prescription
41 eye drops are needed; and

42 (2) the refill requested by the covered person does not exceed
43 the number of additional quantities indicated on the original
44 prescription by the prescribing health care practitioner.

45
46 10. The School Employees' Health Benefits Commission shall
47 ensure that every contract purchased by the commission on or after
48 the effective date of this act that provides hospital or medical
49 expense benefits that include coverage for prescription eye drops,

1 shall provide coverage for expenses incurred for refills of
2 prescription eye drops in accordance with the Guidance for Early
3 Refill Edits of Topical Ophthalmic Products provided to Medicare
4 Part D plan sponsors by the Centers for Medicare and Medicaid
5 Services of the U.S. Department of Health and Human Services,
6 provided that:

7 (1) the prescribing health care practitioner indicates on the
8 original prescription that additional quantities of the prescription
9 eye drops are needed; and

10 (2) the refill requested by the covered person does not exceed
11 the number of additional quantities indicated on the original
12 prescription by the prescribing health care practitioner.

13

14 11. This act shall take effect on the 90th day after enactment.

15

16

17

STATEMENT

18

19 This bill requires, in certain circumstances, health insurers
20 (health, hospital and medical service corporations, commercial
21 individual and group health insurers; health maintenance
22 organizations, health benefits plans issued pursuant to the New
23 Jersey Individual Health Coverage and Small Employer Health
24 Benefits Programs, the State Health Benefits Program, and the
25 School Employees' Health Benefits Program) that provide coverage
26 for prescription eye drops, to provide health benefits coverage for
27 expenses incurred for a refill of prescription eye drops in
28 accordance with Guidance for Early Refill Edits on Topical
29 Ophthalmic Products provided to Medicare Part D plan sponsors by
30 the Centers for Medicare and Medicaid Services.

31 The requirement to provide this coverage is conditioned on two
32 factors: (1) the prescribing health care practitioner indicates on the
33 original prescription that additional quantities of the prescription
34 eye drops are needed; and (2) the refill requested does not exceed
35 the number of additional quantities indicated on the original
36 prescription by the prescribing health care practitioner.

37 The Centers for Medicaid and Medicare Services issued
38 guidance on topical ophthalmics to prevent the unintended
39 interruption of drug therapy in situations in which patients
40 legitimately need earlier refills of prescription eye drops. While the
41 guidance acknowledges that health insurers monitor appropriate
42 refill periods as part of utilization management, the guidance also
43 recognizes that the self-administration of prescription eye drops
44 may involve some reasonable amount of waste and that earlier
45 refills may be appropriate in some circumstances.

SENATE, No. 2336

STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED NOVEMBER 19, 2012

Sponsored by:

Senator FRED H. MADDEN, JR.

District 4 (Camden and Gloucester)

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

SYNOPSIS

Requires health benefits coverage for prescription eye drop refills under certain conditions.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning health benefits coverage for prescription eye
2 drops and supplementing various parts of the statutory law.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. The Legislature finds and declares:

8 a. The Centers for Medicaid and Medicare Services issued
9 guidance on topical ophthalmics to prevent the unintended
10 interruption of drug therapy in situations in which patients
11 legitimately need earlier refills of prescription eye drops;

12 b. While the guidance acknowledges that health insurers
13 monitor appropriate refill periods as part of utilization management,
14 the guidance also recognizes that the self-administration of
15 prescription eye drops may involve some reasonable amount of
16 waste and that earlier refills may be appropriate in some
17 circumstances; and

18 c. Accordingly, in order to adequately protect the health of
19 consumers in New Jersey who may need early refills of prescription
20 eye drops in order to continue the therapies needed for the
21 preservation of their sight, the guidance must be incorporated into
22 New Jersey law relating to health benefits by private insurers and
23 the plans provided by the State for their employees.

24
25 2. a. A hospital service corporation which provides hospital or
26 medical expense benefits that include coverage for prescription eye
27 drops under a contract delivered, issued, executed or renewed in
28 this State, or approved for issuance or renewal in this State by the
29 Commissioner of Banking and Insurance, on or after the effective
30 date of this act, shall provide coverage for expenses incurred for
31 refills of prescription eye drops in accordance with the Guidance for
32 Early Refill Edits of Topical Ophthalmic Products provided to
33 Medicare Part D plan sponsors by the Centers for Medicare and
34 Medicaid Services of the U.S. Department of Health and Human
35 Services, provided that:

36 (1) the prescribing health care practitioner indicates on the
37 original prescription that additional quantities of the prescription
38 eye drops are needed; and

39 (2) the refill requested by the subscriber or covered person does
40 not exceed the number of additional quantities indicated on the
41 original prescription by the prescribing health care practitioner.

42 b. The provisions of this section shall apply to all hospital
43 service corporation contracts in which the hospital service
44 corporation has reserved the right to change the premium.

45
46 3. a. A medical service corporation which provides hospital or
47 medical expense benefits that include coverage for prescription eye
48 drops under a contract delivered, issued, executed or renewed in
49 this State, or approved for issuance or renewal in this State by the

1 Commissioner of Banking and Insurance, on or after the effective
2 date of this act, shall provide coverage for expenses incurred for
3 refills of prescription eye drops in accordance with the Guidance for
4 Early Refill Edits of Topical Ophthalmic Products provided to
5 Medicare Part D plan sponsors by the Centers for Medicare and
6 Medicaid Services of the U.S. Department of Health and Human
7 Services, provided that:

8 (1) the prescribing health care practitioner indicates on the
9 original prescription that additional quantities of the prescription
10 eye drops are needed; and

11 (2) the refill requested by the subscriber or covered person does
12 not exceed the number of additional quantities indicated on the
13 original prescription by the prescribing health care practitioner.

14 b. The provisions of this section shall apply to all medical
15 service corporation contracts in which the medical service
16 corporation has reserved the right to change the premium.

17

18 4. a. A health service corporation which provides hospital or
19 medical expense benefits that include coverage for prescription eye
20 drops under a contract delivered, issued, executed or renewed in
21 this State, or approved for issuance or renewal in this State by the
22 Commissioner of Banking and Insurance, on or after the effective
23 date of this act, shall provide coverage for expenses incurred for
24 refills of prescription eye drops in accordance with the Guidance for
25 Early Refill Edits of Topical Ophthalmic Products provided to
26 Medicare Part D plan sponsors by the Centers for Medicare and
27 Medicaid Services of the U.S. Department of Health and Human
28 Services, provided that:

29 (1) the prescribing health care practitioner indicates on the
30 original prescription that additional quantities of the prescription
31 eye drops are needed; and

32 (2) the refill requested by the subscriber or covered person does
33 not exceed the number of additional quantities indicated on the
34 original prescription by the prescribing health care practitioner.

35 b. The provisions of this section shall apply to all health
36 service corporation contracts in which the health service
37 corporation has reserved the right to change the premium.

38

39 5. a. An individual health insurer which provides hospital or
40 medical expense benefits that include coverage for prescription eye
41 drops under a policy delivered, issued, executed or renewed in this
42 State, or approved for issuance or renewal in this State by the
43 Commissioner of Banking and Insurance, on or after the effective
44 date of this act, shall provide coverage for expenses incurred for
45 refills of prescription eye drops in accordance with the Guidance for
46 Early Refill Edits of Topical Ophthalmic Products provided to
47 Medicare Part D plan sponsors by the Centers for Medicare and

1 Medicaid Services of the U.S. Department of Health and Human
2 Services, provided that:

3 (1) the prescribing health care practitioner indicates on the
4 original prescription that additional quantities of the prescription
5 eye drops are needed; and

6 (2) the refill requested by the insured or covered person does not
7 exceed the number of additional quantities indicated on the original
8 prescription by the prescribing health care practitioner.

9 b. The provisions of this section shall apply to those policies in
10 which the insurer has reserved the right to change the premium.

11

12 6. a. A group health insurer which provides hospital or medical
13 expense benefits that include coverage for prescription eye drops,
14 under a policy delivered, issued, executed or renewed in this State,
15 or approved for issuance or renewal in this State by the
16 Commissioner of Banking and Insurance, on or after the effective
17 date of this act, shall provide coverage for expenses incurred for
18 refills of prescription eye drops in accordance with the Guidance for
19 Early Refill Edits of Topical Ophthalmic Products provided to
20 Medicare Part D plan sponsors by the Centers for Medicare and
21 Medicaid Services of the U.S. Department of Health and Human
22 Services, provided that:

23 (1) the prescribing health care practitioner indicates on the
24 original prescription that additional quantities of the prescription
25 eye drops are needed; and

26 (2) the refill requested by the insured or covered person does not
27 exceed the number of additional quantities indicated on the original
28 prescription by the prescribing health care practitioner.

29 b. The provisions of this section shall apply to all policies in
30 which the insurer has reserved the right to change the premium.

31

32 7. a. An individual health benefits plan which provides
33 hospital or medical expense benefits that include coverage for
34 prescription eye drops under a contract delivered, issued, executed
35 or renewed in this State, or approved for issuance or renewal in this
36 State by the Commissioner of Banking and Insurance, on or after
37 the effective date of this act, shall provide coverage for expenses
38 incurred for refills of prescription eye drops in accordance with the
39 Guidance for Early Refill Edits of Topical Ophthalmic Products
40 provided to Medicare Part D plan sponsors by the Centers for
41 Medicare and Medicaid Services of the U.S. Department of Health
42 and Human Services, provided that:

43 (1) the prescribing health care practitioner indicates on the
44 original prescription that additional quantities of the prescription
45 eye drops are needed; and

46 (2) the refill requested by the covered person does not exceed
47 the number of additional quantities indicated on the original
48 prescription by the prescribing health care practitioner.

1 b. The provisions of this section shall apply to all individual
2 health benefits plans in which the carrier has reserved the right to
3 change the premium.

4
5 8. a. A small employer health benefits plan which provides
6 hospital or medical expense benefits that include coverage for
7 prescription eye drops under a contract delivered, issued, executed
8 or renewed in this State, or approved for issuance or renewal in this
9 State by the Commissioner of Banking and Insurance, on or after
10 the effective date of this act, shall provide coverage for expenses
11 incurred for refills of prescription eye drops in accordance with the
12 Guidance for Early Refill Edits of Topical Ophthalmic Products
13 provided to Medicare Part D plan sponsors by the Centers for
14 Medicare and Medicaid Services of the U.S. Department of Health
15 and Human Services, provided that:

16 (1) the prescribing health care practitioner indicates on the
17 original prescription that additional quantities of the prescription
18 eye drops are needed; and

19 (2) the refill requested by the subscriber or covered person does
20 not exceed the number of additional quantities indicated on the
21 original prescription by the prescribing health care practitioner.

22 b. The provisions of this section shall apply to all small
23 employer health benefits plans in which the carrier has reserved the
24 right to change the premium.

25
26 9. a. A health maintenance organization contract which
27 provides hospital or medical expense benefits that include coverage
28 for prescription eye drops, issued or continued in this State, or
29 approved for issuance or renewal in this State by the Commissioner
30 of Banking and Insurance on or after the effective date of this act,
31 shall provide coverage for expenses incurred for refills of
32 prescription eye drops in accordance with the Guidance for Early
33 Refill Edits of Topical Ophthalmic Products provided to Medicare
34 Part D plan sponsors by the Centers for Medicare and Medicaid
35 Services of the U.S. Department of Health and Human Services,
36 provided that:

37 (1) the prescribing health care practitioner indicates on the
38 original prescription that additional quantities of the prescription
39 eye drops are needed; and

40 (2) the refill requested by the enrollee or covered person does
41 not exceed the number of additional quantities indicated on the
42 original prescription by the prescribing health care practitioner.

43 b. The provisions of this section shall apply to those contracts
44 for health care services by health maintenance organizations under
45 which the health maintenance organization has reserved the right to
46 change the schedule of charges.

1 10. The State Health Benefits Commission shall ensure that
2 every contract purchased by the commission on or after the
3 effective date of this act that provides hospital or medical expense
4 benefits that include coverage for prescription eye drops, shall
5 provide coverage for expenses incurred for refills of prescription
6 eye drops in accordance with the Guidance for Early Refill Edits of
7 Topical Ophthalmic Products provided to Medicare Part D plan
8 sponsors by the Centers for Medicare and Medicaid Services of the
9 U.S. Department of Health and Human Services, provided that:

10 (1) the prescribing health care practitioner indicates on the
11 original prescription that additional quantities of the prescription
12 eye drops are needed; and

13 (2) the refill requested by the covered person does not exceed
14 the number of additional quantities indicated on the original
15 prescription by the prescribing health care practitioner.

16

17 11. The School Employees' Health Benefits Commission shall
18 ensure that every contract purchased by the commission on or after
19 the effective date of this act that provides hospital or medical
20 expense benefits that include coverage for prescription eye drops,
21 shall provide coverage for expenses incurred for refills of
22 prescription eye drops in accordance with the Guidance for Early
23 Refill Edits of Topical Ophthalmic Products provided to Medicare
24 Part D plan sponsors by the Centers for Medicare and Medicaid
25 Services of the U.S. Department of Health and Human Services,
26 provided that:

27 (1) the prescribing health care practitioner indicates on the
28 original prescription that additional quantities of the prescription
29 eye drops are needed; and

30 (2) the refill requested by the covered person does not exceed
31 the number of additional quantities indicated on the original
32 prescription by the prescribing health care practitioner.

33

34 12. This act shall take effect on the 60th day after enactment.

35

36

37

STATEMENT

38

39 This bill requires, in certain circumstances, health insurers
40 (health, hospital and medical service corporations, commercial
41 individual and group health insurers; health maintenance
42 organizations, health benefits plans issued pursuant to the New
43 Jersey Individual Health Coverage and Small Employer Health
44 Benefits Programs, the State Health Benefits Program, and the
45 School Employees' Health Benefits Program) that provide coverage
46 for prescription eye drops, to provide health benefits coverage for
47 expenses incurred for a refill of prescription eye drops in
48 accordance with Guidance for Early Refill Edits on Topical

1 Ophthalmic Products provided to Medicare Part D plan sponsors by
2 the Centers for Medicare and Medicaid Services.

3 The requirement to provide this coverage is conditioned on two
4 factors: (1) the prescribing health care practitioner indicates on the
5 original prescription that additional quantities of the prescription
6 eye drops are needed; and (2) the refill requested does not exceed
7 the number of additional quantities indicated on the original
8 prescription by the prescribing health care practitioner.

9 The Centers for Medicaid and Medicare Services issued
10 guidance on topical ophthalmics to prevent the unintended
11 interruption of drug therapy in situations in which patients
12 legitimately need earlier refills of prescription eye drops. While the
13 guidance acknowledges that health insurers monitor appropriate
14 refill periods as part of utilization management, the guidance also
15 recognizes that the self-administration of prescription eye drops
16 may involve some reasonable amount of waste and that earlier
17 refills may be appropriate in some circumstances.

FISCAL NOTE
SENATE, No. 2166
STATE OF NEW JERSEY
215th LEGISLATURE

DATED: DECEMBER 5, 2012

SUMMARY

- Synopsis:** Requires health benefits coverage for refills of prescription eye drops under certain conditions.
- Type of Impact:** Expenditure Increase to the State General Fund, Local Government Funds, Board of Education Funds.
- Agencies Affected:** The Division of Pensions and Benefits in the Department of the Treasury; local government entities and boards of education.

Executive Estimate

Fiscal Impact	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
State Cost	\$214,592	\$231,760	\$250,300
Local Cost	\$165,408	\$178,640	\$192,932
Total Cost	\$380,000	\$410,400	\$443,232

The Division of Pensions and Benefits assumed a medical inflation rate of 8 percent.

- The Office of Legislative Services (OLS) **concurs** with the Executive estimate.
- This bill would change the State Health Benefits Program/School Employees' Health Benefits Program (SHBP/SEHBP) prescription drug policy regarding the frequency of refills for prescription eye drops to coincide with the policy of the Centers for Medicare and Medicaid Services (CMS) for Medicare Part D plan sponsors for topical ophthalmic products.
- Under this bill, the SHBP/SEHBP would be required to apply the CMS's policy to all active plan participants and non-Medicare eligible retirees thereby increasing costs to the State in FY 2013 by \$214,592 and costs to the local governments by \$165,408.

BILL DESCRIPTION

Senate Bill No. 2166 of 2012 requires, in certain circumstances, health insurers (health, hospital and medical service corporations, commercial individual and group health insurers,

health maintenance organizations, health benefits plans issued pursuant to the New Jersey Individual Health Coverage and Small Employer Health Benefits Programs, the SHBP/SEHBP) that provide coverage for prescription eye drops, to provide health benefits coverage for expenses incurred for a refill of prescription eye drops in accordance with the Guidance for Early Refill Edits on Topical Ophthalmic Products provided to Medicare Part D plan sponsors by the CMS.

The requirement to provide this coverage is conditioned on two factors: (1) the prescribing health care practitioner indicates on the original prescription that additional quantities of the prescription eye drops are needed; and (2) the refill requested does not exceed the number of additional quantities indicated on the original prescription by the prescribing health care practitioner.

The CMS issued guidance on topical ophthalmics to prevent the unintended interruption of drug therapy in situations in which patients legitimately need earlier refills of prescription eye drops. While the guidance acknowledges that health insurers monitor appropriate refill periods as part of utilization management, the guidance also recognizes that the self-administration of prescription eye drops may involve some reasonable amount of waste and that earlier refills may be appropriate in some circumstances.

FISCAL ANALYSIS

EXECUTIVE BRANCH

According to the Division of Pensions and Benefits, this bill would change the SHBP/SEHBP prescription drug policy regarding the frequency of refills for prescription eye drops to coincide with the policy of the CMS for Medicare Part D plan sponsors for topical ophthalmic products. Because all Medicare eligible retirees in the SHBP/SEHBP are Medicare Part D participants, the SHBP/SEHBP is obligated to adopt the CMS's guidelines as it relates to this group even if the bill is not enacted. If this bill is enacted, the SHBP/SEHBP would be required to apply the CMS's policy to all active plan participants and non-Medicare eligible retirees thereby increasing costs to the State in FY 2013 by \$214,592 and costs to the local governments by \$165,408. Total cost increases with an assumed annual inflation rate of eight percent, would be \$380,000 for FY 2013, \$410,400 for FY 2014, and \$443,232 for FY 2015.

OFFICE OF LEGISLATIVE SERVICES

The OLS concurs with the Executive estimate. The OLS notes that Express Scripts estimates that the provisions of this bill will increase costs to the SHBP/SEHBP by less than 0.01 percent.

Section: State Government

Analyst: Kimberly McCord Clemmensen
Senior Fiscal Analyst

Approved: David J. Rosen
Legislative Budget and Finance Officer

This fiscal note has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, Nos. 2166 and 2336**

STATE OF NEW JERSEY

DATED: JANUARY 14, 2013

The Senate Commerce Committee reports favorably Senate Committee Substitute for Senate Bill Nos. 2166 and 2336.

This bill, a committee substitute for Senate Bill Nos. 2166 and 2336, requires, in certain circumstances, health insurers (health, hospital and medical service corporations, commercial individual and group health insurers; health maintenance organizations, health benefits plans issued pursuant to the New Jersey Individual Health Coverage and Small Employer Health Benefits Programs, the State Health Benefits Program, and the School Employees' Health Benefits Program) that provide coverage for prescription eye drops, to provide health benefits coverage for expenses incurred for a refill of prescription eye drops in accordance with Guidance for Early Refill Edits on Topical Ophthalmic Products provided to Medicare Part D plan sponsors by the Centers for Medicare and Medicaid Services.

The requirement to provide this coverage is conditioned on two factors: (1) the prescribing health care practitioner indicates on the original prescription that additional quantities of the prescription eye drops are needed; and (2) the refill requested does not exceed the number of additional quantities indicated on the original prescription by the prescribing health care practitioner.

The Centers for Medicaid and Medicare Services issued guidance on topical ophthalmics to prevent the unintended interruption of drug therapy in situations in which patients legitimately need earlier refills of prescription eye drops. While the guidance acknowledges that health insurers monitor appropriate refill periods as part of utilization management, the guidance also recognizes that the self-administration of prescription eye drops may involve some reasonable amount of waste and that earlier refills may be appropriate in some circumstances.

This committee substitute is identical to Assembly Bill No. 3080, which was also reported favorably by the committee.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, Nos. 2166 and 2336**

STATE OF NEW JERSEY

DATED: MARCH 4, 2013

The Senate Budget and Appropriations Committee reports favorably Senate Bill Nos. 2166 and 2336 (SCS).

This bill requires, in certain circumstances, health insurers (health, hospital and medical service corporations, commercial individual and group health insurers; health maintenance organizations, health benefits plans issued pursuant to the New Jersey Individual Health Coverage and Small Employer Health Benefits Programs, the State Health Benefits Program, and the School Employees' Health Benefits Program) that provide coverage for prescription eye drops, to provide health benefits coverage for expenses incurred for a refill of prescription eye drops in accordance with Guidance for Early Refill Edits on Topical Ophthalmic Products provided to Medicare Part D plan sponsors by the Centers for Medicare and Medicaid Services.

The requirement to provide this coverage is conditioned on two factors: (1) the prescribing health care practitioner indicates on the original prescription that additional quantities of the prescription eye drops are needed; and (2) the refill requested does not exceed the number of additional quantities indicated on the original prescription by the prescribing health care practitioner.

The Centers for Medicaid and Medicare Services issued guidance on topical ophthalmics to prevent the unintended interruption of drug therapy in situations in which patients legitimately need earlier refills of prescription eye drops. While the guidance acknowledges that health insurers monitor appropriate refill periods as part of utilization management, the guidance also recognizes that the self-administration of prescription eye drops may involve some reasonable amount of waste and that earlier refills may be appropriate in some circumstances.

As reported, this substitute is identical to the Assembly Bill No. 3080, which was also reported by the committee.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concurs with the Executive estimate in the Fiscal Note prepared for the identical

Assembly bill. This substitute would change the State Health Benefits Program/School Employees' Health Benefits Program (SHBP/SEHBP) prescription drug policy regarding the frequency of refills for prescription eye drops to coincide with the policy of the Centers for Medicare and Medicaid Services (CMS) for Medicare Part D plan sponsors for topical ophthalmic products.

Under this substitute, the SHBP/SEHBP would be required to apply the CMS's policy to all active plan participants and non-Medicare eligible retirees thereby increasing costs to the State in FY 2013 by \$214,592 and costs to the local governments by \$165,408, totaling \$380,000. Total State and local government costs increase annually with an assumed annual medical inflation rate of eight percent, to \$410,400 for FY 2014, and \$443,232 for FY 2015.

The OLS notes that Express Scripts estimates that the provisions of this substitute will increase costs to the SHBP/SEHBP by less than 0.01 percent.

FISCAL NOTE
SENATE COMMITTEE SUBSTITUTE FOR
SENATE, Nos. 2166 and 2336
STATE OF NEW JERSEY
215th LEGISLATURE

DATED: MARCH 6, 2013

SUMMARY

- Synopsis:** Requires health benefits coverage for refills of prescription eye drops under certain conditions.
- Type of Impact:** Expenditure Increase to the State General Fund, Local Government Funds, Board of Education Funds.
- Agencies Affected:** The Division of Pensions and Benefits in the Department of the Treasury; local government entities and boards of education.

Executive Estimate

Fiscal Impact	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
State Cost	\$214,592	\$231,760	\$250,300
Local Cost	\$165,408	\$178,640	\$192,932
Total Cost	\$380,000	\$410,400	\$443,232

The Division of Pensions and Benefits assumed a medical inflation rate of 8 percent.

- The Office of Legislative Services (OLS) **concurs** with the Executive estimate.
- This bill would change the State Health Benefits Program/School Employees' Health Benefits Program (SHBP/SEHBP) prescription drug policy regarding the frequency of refills for prescription eye drops to coincide with the policy of the Centers for Medicare and Medicaid Services (CMS) for Medicare Part D plan sponsors for topical ophthalmic products.
- Under this bill, the SHBP/SEHBP would be required to apply the CMS's policy to all active plan participants and non-Medicare eligible retirees thereby increasing costs to the State in FY 2013 by \$214,592 and costs to the local governments by \$165,408.

BILL DESCRIPTION

The Senate Committee Substitute for Senate Bill Nos. 2166 and 2336 of 2012 requires, in certain circumstances, health insurers (health, hospital and medical service corporations,

commercial individual and group health insurers, health maintenance organizations, health benefits plans issued pursuant to the New Jersey Individual Health Coverage and Small Employer Health Benefits Programs, the State Health Benefits Program, and the School Employees' Health Benefits Program) that provide coverage for prescription eye drops, to provide health benefits coverage for expenses incurred for a refill of prescription eye drops in accordance with the Guidance for Early Refill Edits on Topical Ophthalmic Products provided to Medicare Part D plan sponsors by the CMS.

The requirement to provide this coverage is conditioned on two factors: (1) the prescribing health care practitioner indicates on the original prescription that additional quantities of the prescription eye drops are needed; and (2) the refill requested does not exceed the number of additional quantities indicated on the original prescription by the prescribing health care practitioner.

The CMS issued guidance on topical ophthalmics to prevent the unintended interruption of drug therapy in situations in which patients legitimately need earlier refills of prescription eye drops. While the guidance acknowledges that health insurers monitor appropriate refill periods as part of utilization management, the guidance also recognizes that the self-administration of prescription eye drops may involve some reasonable amount of waste and that earlier refills may be appropriate in some circumstances.

FISCAL ANALYSIS

EXECUTIVE BRANCH

According to the Division of Pensions and Benefits, this bill would change the SHBP/SEHBP prescription drug policy regarding the frequency of refills for prescription eye drops to coincide with the policy of the CMS for Medicare Part D plan sponsors for topical ophthalmic products. Because all Medicare eligible retirees in the SHBP/SEHBP are Medicare Part D participants, the SHBP/SEHBP is obligated to adopt the CMS's guidelines as it relates to this group even if the bill is not enacted. If this bill is enacted, the SHBP/SEHBP would be required to apply the CMS's policy to all active plan participants and non-Medicare eligible retirees thereby increasing costs to the State in FY 2013 by \$214,592 and costs to the local governments by \$165,408. Total cost increases with an assumed annual inflation rate of eight percent, would be \$380,000 for FY 2013, \$410,400 for FY 2014, and \$443,232 for FY 2015.

OFFICE OF LEGISLATIVE SERVICES

The OLS concurs with the Executive estimate. The OLS notes that Express Scripts estimates that the provisions of this bill will increase costs to the SHBP/SEHBP by less than 0.01 percent.

Section: State Government

Analyst: Kimberly McCord Clemmensen
Senior Fiscal Analyst

Approved: David J. Rosen
Legislative Budget and Finance Officer

This fiscal note has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).