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BULLETIN NO. 16-12

TO: ALL HEALTH SERVICE CORPORATIONS, HOSPITAL SERVICE CORPORATIONS, MEDICAL SERVICE CORPORATIONS, HEALTH INSURANCE COMPANIES, AND HEALTH MAINTENANCE ORGANIZATIONS

FROM: RICHARD J. BADOLATO, COMMISSIONER

RE: IMPLEMENTATION OF P.L. 2015, C. 206, WHICH CONCERNS HEALTH BENEFITS COVERAGE FOR SYNCHRONIZATION OF PRESCRIBED MEDICATIONS

On January 11, 2016, P.L. 2015, c. 206 ("Chapter 206") was enacted. The new law is variously codified.[1]

The Department of Banking and Insurance ("DOBI") is issuing this bulletin to inform all health service corporations, hospital service corporations, medical service corporations, health insurance companies, health maintenance organizations, and carriers offering health benefits plans through the individual health coverage program and the small employer health benefits program, (collectively, "carriers") of the requirements set forth in Chapter 206.

This statute requires that all carriers, as well as the State Health Benefits Plan and the School Employees' Health Benefits Plan, that provide benefits for pharmacy services, prescription drugs, or prescription drug plans must:

1. Apply a prorated daily cost-sharing rate, i.e. copayment, to prescriptions that are dispensed by a network pharmacy for less than a 30-day supply if the prescriber or pharmacist indicates the fill or refill is in the best interest of the covered person or is for the purpose of synchronizing the covered person's chronic medications;

[1] N.J.S.A. 17:48-6mm: (hospital service corporations); N.J.S.A. 17:48A-7jj (medical service corporations); N.J.S.A. 17:48E-35.37 (health service corporations); N.J.S.A. 17B:26-2.1gg (insurers); N.J.S.A. 17B:27-46.1mm (insurers); N.J.S.A. 26:2J-4.38 (HMOs and all HMO coverage); N.J.S.A. 17B:27A-7.20 (carriers offering individual health benefits plans); N.J.S.A. 17B:27A-19.24 (carriers offering small employer health benefits plans); N.J.S.A. 52:14-17.29t (State Health Benefits Plan); and N.J.S.A. 52:14-17.46.6e (School Employees' Health Benefits Plan).

2. Provide coverage for a drug prescribed for the treatment of a chronic illness dispensed in accordance with a plan developed by the covered person, the prescriber, and the pharmacist to synchronize the refilling of multiple prescriptions for the covered person; and

3. Determine dispensing fees based solely on the total number of prescriptions dispensed; although member cost sharing is prorated, dispensing fees cannot be prorated.

These requirements do not apply to prescriptions for opioid analgesics which is defined as a drug class prescribed to treat moderate to severe pain or other conditions, whether in immediate release or extended release form, and whether or not combined with other drug substances to form a single drug product or dosage form.

Carriers should take note of the following:

a. If a carrier has prescription drug text in previously filed and approved policy forms which does not support the prorated copayment, then the carrier must file the amended forms with the Department on or before [*insert date three months from issuance date*]; and

b. Carriers should make any necessary amendments to their respective contracts with the Pharmacy Benefit Managers or pharmacies to address the requirement that payment of the full dispensing fee must be made regardless of the quantity dispensed.

The following are examples which may assist both consumers and carriers:

Example 1: The covered person has prescription drug coverage which requires him or her to pay a $50 copay for up to a 30-day supply for a preferred brand name drug. If the covered person is prescribed a new medication for a chronic condition and the prescriber wants the patient to start with a 15-day supply and indicates that the 15-day supply is in the best interest of the covered person or for the purpose of synchronization, the pharmacy would dispense the 15-day supply and the patient would pay a prorated copayment of $25 instead of the full $50 copayment.

Example 2: The covered person takes three different prescription medications for chronic conditions. The covered person filled the first prescription on the 3rd of the month, the second prescription on the 12th of the month and the third prescription on the 21st of the month. Before the enactment of this legislation, if the covered person refilled each prescription each month, the covered person would have to make three separate trips to the pharmacy to pick up the three separate refills. However, with synchronization, the covered person could ask the doctor and pharmacist to synchronize the three prescriptions so that the three prescriptions would be refilled on the same date each month. Thus, the prescription originating on the 3rd of the month would require a 27-day supply, the prescription originating on the 12th of the month would require an 18-day supply and the prescription originating on the 21st of the month would require a 9-day supply. The patient's copayment for each of those supplies would be prorated so that the covered person would pay only for the amount of medication as dispensed to

synchronize. Dispensing fees for the synchronization would not change. Beginning with the next month, all three prescriptions would be refilled on the 1st of the month.

This bulletin can be found on the Department's web site at http://www.dobi.nj.gov/legsregs.

12/19/16
Date

Richard J. Badolato
Commissioner

Bulletins/ medication synchronization