

Fiscal Impact
1st Session of the 57th Legislature

Bill No.:	HB 2638
Version:	ENGR
Author:	Sen. Rader
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Fiscal Analysis

FY'20 Impact: Pending

Full Year Impact: Pending

HB 2638 requires health insurance plans using step therapy protocols to establish guidelines governing its use based on clinical practice guidelines and requires patient or provider access to apply for exceptions to step therapy protocols. Regarding HealthChoice, the Employees Group Insurance Division has stated the legislation would create an impact of \$8 million due to the costs of creating step therapy protocols required by the legislation. OHCA has stated it could increase Medicaid costs by \$10 million. There is also the contention that step therapy protocols infringe on the physicians ability to make the proper decision for that particular patient, leading to suboptimal results and increased health care costs down the road. Providing exceptions could reduce costs by allowing the physician to make choices on a patient by patient basis. The American Medical Association has stated in a policy statement that, "Utilization management programs, such as prior authorization and step therapy, can create significant barriers for patients by delaying the start or continuation of necessary treatment and negatively affecting patient health outcomes. The very manual, time-consuming processes used in these programs burden providers and divert valuable resources away from direct patient care." The AMA also recommends allowing for flexibility and a timely override of step therapy requirements and appeals for denials. Given these factors, the fiscal impact is currently unknown and updates will be forthcoming.

Prepared by: Fiscal Staff