



# Ohio Legislative Service Commission

## Bill Analysis

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### H.B. 116

131st General Assembly  
(As Introduced)

**Reps.** Brown and Ginter, Becker, Kuhns, Kraus, Lepore-Hagan

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## BILL SUMMARY

- Requires that certain health insurers and the Medicaid program provide coverage for medication synchronization, which allows an individual to obtain all prescribed drugs for chronic conditions on the same date each month.
- Authorizes a pharmacist to engage in medication synchronization.

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## CONTENT AND OPERATION

### Coverage for medication synchronization

The bill requires certain health insurers and the Medicaid program, including Medicaid managed care organizations, to provide coverage for medication synchronization, if specified conditions are met.<sup>1</sup> "Medication synchronization" is defined by the bill as "a pharmacy service that coordinates the filling, refilling, or short filling of all of a covered individual's chronic prescription drugs in a manner that allows the patient to pick up all of the prescriptions in question on the same date each month."

The bill defines "short fill" as "providing, in conjunction with medication synchronization, a supply of a drug that is less than the prescribed amount." Short filling a prescription may be used to achieve synchronization if any of the following occur:

(1) A change in dosage or frequency of administration for one or more of the drugs being synchronized;

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<sup>1</sup> R.C. 1739.05, 1751.68, 3923.602, 5164.7511, and 5167.12.

(2) The covered individual is prescribed a new drug that is subject to synchronization.

### **Implementation of coverage**

The bill applies to all of the following types of health insurers: health insuring corporations, sickness and accident insurers, multiple employer welfare arrangements, and public employee benefit plans. In the case of these insurers, the bill governs policies, contracts, agreements, or plans issued, delivered, renewed, established, or modified in Ohio on or after January 1, 2016.<sup>2</sup>

The bill does not apply to health insurance that is part of employee benefits offered by private employers that self-insure their benefit programs. These programs are generally precluded from state regulation by the federal Employee Retirement Income Security Act (ERISA) (see "**ERISA**," below).

### **Private insurers and public employee benefit plans**

#### **Conditions**

Under the bill, an insurance policy, contract, agreement, or plan must provide for medication synchronization if all of the following conditions are met:

(1) The policy, contract, agreement, or plan provides prescription drug coverage;

(2) A covered individual, network pharmacist, and the covered individual's provider agree that medication synchronization would be in the best interest of the covered individual;

(3) The drug is eligible for synchronization.

In order to be eligible, a drug must (1) be covered by the policy, contract, agreement, or plan, (2) be used for the treatment and management of chronic conditions and subject to refills, (3) meet all relevant prior authorization criteria, and (4) not have quantity limits or dose optimization criteria or requirements that would be violated by synchronization. However, a drug is not eligible for synchronization if the drug is a schedule II controlled substance, a substance containing opiates, or a benzodiazepine.

The bill prohibits a policy, contract, agreement, or plan from denying coverage for any drug dispensed in accordance with a medication synchronization plan.

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<sup>2</sup> Section 3.

## **Cost-sharing**

The bill specifies that a policy, contract, agreement, or plan must permit and apply a prorated daily cost-sharing rate for a supply of a drug that is dispensed in conjunction with medication synchronization at a network pharmacy. The bill defines "cost-sharing" as the cost to an enrollee insured under a policy, contract, agreement, or plan according to any coverage limit, copayment, coinsurance, deductible, or other out-of-pocket expense requirements imposed by the policy, contract, or agreement.

The bill further specifies that its provisions must not be construed as requiring a policy, contract, agreement, or plan to waive cost-sharing for prescriptions that are subject to synchronization.

## **Dispensing fees**

Under the bill, a policy, contract, agreement, or plan cannot use payment structures incorporating prorated dispensing fees determined by calculation of the days' supply of drugs dispensed. Dispensing fees must be determined exclusively by the total number of prescriptions filled or refilled.

## **Review of mandated benefits legislation**

The bill exempts its requirements regarding health insurer coverage of medication synchronization from an existing law that could prevent the requirements from being applied until a review by the Superintendent of Insurance has been conducted with respect to mandated health benefits.<sup>3</sup> Under current law, legislation mandating health benefits cannot be applied to any health benefits arrangement after the legislation is enacted unless the Superintendent holds a public hearing and determines that it can be applied fully and equally in all respects to (1) employee benefits plans that are subject to ERISA and (2) employee benefit plans established or modified by the state or its political subdivisions.<sup>4</sup> Under the bill, the coverage of medication synchronization is applicable and the Superintendent's hearing and determination are not required even if the bill's provisions are considered mandated benefits.

## **ERISA**

ERISA is a comprehensive federal statute governing the administration of employee benefit plans. ERISA generally precludes state regulation of benefits offered by private employers that self-insure their benefit programs. Larger employers

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<sup>3</sup> R.C. 1739.05, 1751.68(B), and 3923.602(B).

<sup>4</sup> R.C. 3901.71.



frequently choose to establish their own health insurance plans for their employees in lieu of purchasing coverage from a sickness and accident insurer or health insuring corporation.

## **Medicaid and Medicaid managed care organizations**

### **Conditions**

With respect to prescribed drugs, the Medicaid program, including the Medicaid managed care organizations under contract with the Ohio Department of Medicaid to provide or arrange for the provision of health care services to Medicaid recipients, must allow a pharmacy provider to engage in medication synchronization if all of the following apply:

- (1) The Medicaid recipient is being treated for a chronic condition;
- (2) The drugs subject to synchronization are not schedule II controlled substances, substances containing opiates, or benzodiazepines;
- (3) The drugs are dispensed in accordance with a plan agreed to by the recipient, the prescriber, and a pharmacist of the pharmacy provider.<sup>5</sup>

### **Cost-sharing charges**

The bill requires that the Medicaid program and a Medicaid managed care organization prorate any cost-sharing charges for prescribed drugs if the drugs are short filled by a pharmacy provider.

### **Dispensing fees**

Under the bill, the Medicaid program and a Medicaid managed care organization must determine dispensing fees exclusively on the total number of prescriptions filled or refilled. The bill prohibits the use of payment structures incorporating prorated dispensing fees determined by calculation of the days' supply of drugs dispensed.<sup>6</sup>

### **Pharmacists**

The bill authorizes a pharmacist to engage in medication synchronization for a covered individual under the following conditions:

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<sup>5</sup> R.C. 5164.01, 5164.7511, 5167.01, and 5167.12.

<sup>6</sup> R.C. 5164.753.



(1) The individual suffers from a chronic condition;

(2) The individual, provider, and pharmacist agree that synchronization would be in the best interest of the individual by short filling one or more drugs.<sup>7</sup>

The bill, however, prohibits a pharmacist from synchronizing prescriptions for schedule II controlled substances, substances containing opiates, or benzodiazepines.

The bill also prohibits a pharmacist from short filling a prescription more than once unless either of the following occurs:

(1) A change in dosage or frequency of administration for one or more of the drugs that are being synchronized;

(2) The covered individual is prescribed a new drug that is subject to medication synchronization.

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## HISTORY

ACTION	DATE
Introduced	03-11-15

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<sup>7</sup> R.C. 4729.20.

