## ASSEMBLY, No. 1833

# STATE OF NEW JERSEY

### 217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

#### Sponsored by:

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District 35 (Bergen and Passaic)

#### Co-Sponsored by:

**Assemblywoman Jimenez** 

#### **SYNOPSIS**

Mandates health benefits coverage for opioid analgesics with abuse-deterrent properties.

#### CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



**AN ACT** concerning health benefits coverage for opioid analysics with abuse-deterrent properties and supplementing various parts of the statutory law.

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

- 1. a. A hospital service corporation contract that provides hospital or medical expense benefits and is delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act, shall provide coverage on its formulary, drug list, or other lists of similar construct for at least one prescribed abuse-deterrent opioid analgesic drug product per opioid analgesic active ingredient, subject to the following requirements:
- (1) Cost sharing for brand name abuse-deterrent opioid analysesic drug products covered pursuant to this subsection shall not exceed the lowest cost sharing level applied to brand name non-abuse deterrent opioid drugs covered under the applicable contract;
- (2) Cost sharing for generic abuse deterrent opioid analysesic drug products covered pursuant to this subsection shall not exceed the lowest cost sharing level applied to generic non-abuse deterrent opioid drugs covered under the applicable contract;
- (3) An increase in patient cost sharing or disincentives for a prescriber or dispenser shall not be allowed to achieve compliance with this section; and
- (4) Any prior authorization requirements or other utilization review measures for opioid analgesic drugs, and any service denials made pursuant thereto, shall not require first use of non-abuse-deterrent opioid analgesic drugs in order to access opioid analgesic drugs with abuse-deterrent properties. Nothing in this subsection shall be construed to prevent the application of prior authorization requirements to abuse-deterrent opioid analgesic drugs, provided that those requirements are also applied to non-abuse-deterrent versions of that opioid.
- b. The provisions of this section shall apply to all hospital service corporation contracts in which the hospital service corporation has reserved the right to change the premium.
  - c. As used in this section:
- "Abuse-deterrent opioid analgesic drug" means a brand or generic opioid analgesic drug approved by the United States Food and Drug Administration with abuse-deterrence labeling claims indicating its abuse-deterrent properties are expected to deter or reduce its abuse.
- 46 "Cost sharing" means any coverage limit, copayment, 47 coinsurance, deductible, or other out-of-pocket expense 48 requirements.

"Opioid analgesic drug" means a drug in the opioid analgesic 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 other dosage form.

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- 2. a. A medical service corporation contract that provides hospital or medical expense benefits and is delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act, shall provide coverage on its formulary, drug list, or other lists of similar construct for at least one prescribed abuse-deterrent opioid analgesic drug product per opioid analgesic active ingredient, subject to the following requirements:
- (1) Cost sharing for brand name abuse-deterrent opioid analysesic drug products covered pursuant to this subsection shall not exceed the lowest cost sharing level applied to brand name non-abuse deterrent opioid drugs covered under the applicable contract;
- (2) Cost sharing for generic abuse deterrent opioid analysesic drug products covered pursuant to this subsection shall not exceed the lowest cost sharing level applied to generic non-abuse deterrent opioid drugs covered under the applicable contract;
- (3) An increase in patient cost sharing or disincentives for a prescriber or dispenser shall not be allowed to achieve compliance with this section; and
- (4) Any prior authorization requirements or other utilization review measures for opioid analgesic drugs, and any service denials made pursuant thereto, shall not require first use of non-abuse-deterrent opioid analgesic drugs in order to access opioid analgesic drugs with abuse-deterrent properties. Nothing in this subsection shall be construed to prevent the application of prior authorization requirements to abuse-deterrent opioid analgesic drugs, provided that those requirements are also applied to non-abuse-deterrent versions of that opioid.
- b. The provisions of this section shall apply to all medical service corporation contracts in which the medical service corporation has reserved the right to change the premium.
  - c. As used in this section:

"Abuse-deterrent opioid analgesic drug" means a brand or generic opioid analgesic drug approved by the United States Food and Drug Administration with abuse-deterrence labeling claims indicating its abuse-deterrent properties are expected to deter or reduce its abuse.

"Cost sharing" means any coverage limit, copayment, coinsurance, deductible, or other out-of-pocket expense requirements.

"Opioid analgesic drug" means a drug in the opioid analgesic 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 other dosage form.

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- 3. a. A health service corporation contract that provides hospital or medical expense benefits and is delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act shall provide coverage on its formulary, drug list, or other lists of similar construct for at least one prescribed abuse-deterrent opioid analgesic drug product per opioid analgesic active ingredient, subject to the following requirements:
- (1) Cost sharing for brand name abuse-deterrent opioid analysesic drug products covered pursuant to this subsection shall not exceed the lowest cost sharing level applied to brand name non-abuse deterrent opioid drugs covered under the applicable contract;
- (2) Cost sharing for generic abuse deterrent opioid analysesic drug products covered pursuant to this subsection shall not exceed the lowest cost sharing level applied to generic non-abuse deterrent opioid drugs covered under the applicable contract;
- (3) An increase in patient cost sharing or disincentives for a prescriber or dispenser shall not be allowed to achieve compliance with this section; and
- (4) Any prior authorization requirements or other utilization review measures for opioid analgesic drugs, and any service denials made pursuant thereto, shall not require first use of non-abuse-deterrent opioid analgesic drugs in order to access opioid analgesic drugs with abuse-deterrent properties. Nothing in this subsection shall be construed to prevent the application of prior authorization requirements to abuse-deterrent opioid analgesic drugs, provided that those requirements are also applied to non-abuse-deterrent versions of that opioid.
- b. The provisions of this section shall apply to all health service corporation contracts in which the health service corporation has reserved the right to change the premium.
  - c. As used in this section:
- "Abuse-deterrent opioid analgesic drug" means a brand or generic opioid analgesic drug approved by the United States Food and Drug Administration with abuse-deterrence labeling claims indicating its abuse-deterrent properties are expected to deter or reduce its abuse.
- 45 "Cost sharing" means any coverage limit, copayment, 46 coinsurance, deductible, or other out-of-pocket expense 47 requirements.

"Opioid analgesic drug" means a drug in the opioid analgesic 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 other dosage form.

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- 4. a. An individual health insurance policy that provides hospital or medical expense benefits and is delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act, shall provide coverage on its formulary, drug list, or other lists of similar construct for at least one prescribed abuse-deterrent opioid analgesic drug product per opioid analgesic active ingredient, subject to the following requirements:
- (1) Cost sharing for brand name abuse-deterrent opioid analgesic drug products covered pursuant to this subsection shall not exceed the lowest cost sharing level applied to brand name non-abuse deterrent opioid drugs covered under the applicable contract;
- (2) Cost sharing for generic abuse deterrent opioid analysesic drug products covered pursuant to this subsection shall not exceed the lowest cost sharing level applied to generic non-abuse deterrent opioid drugs covered under the applicable contract;
- (3) An increase in patient cost sharing or disincentives for a prescriber or dispenser shall not be allowed to achieve compliance with this section; and
- (4) Any prior authorization requirements or other utilization review measures for opioid analgesic drugs, and any service denials made pursuant thereto, shall not require first use of non-abuse-deterrent opioid analgesic drugs in order to access opioid analgesic drugs with abuse-deterrent properties. Nothing in this subsection shall be construed to prevent the application of prior authorization requirements to abuse-deterrent opioid analgesic drugs, provided that those requirements are also applied to non-abuse-deterrent versions of that opioid.
- versions of that opioid.
  b. The provisions of this section shall apply to those policies in
  which the insurer has reserved the right to change the premium.
  - c. As used in this section:
  - "Abuse-deterrent opioid analgesic drug" means a brand or generic opioid analgesic drug approved by the United States Food and Drug Administration with abuse-deterrence labeling claims indicating its abuse-deterrent properties are expected to deter or reduce its abuse.
  - "Cost sharing" means any coverage limit, copayment, coinsurance, deductible, or other out-of-pocket expense requirements.
- 47 "Opioid analgesic drug" means a drug in the opioid analgesic 48 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 other dosage form.

- 5. a. A group health insurance policy that provides hospital or medical expense benefits and is delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act, shall provide coverage on its formulary, drug list, or other lists of similar construct for at least one prescribed abuse-deterrent opioid analgesic drug product per opioid analgesic active ingredient, subject to the following requirements:
- (1) Cost sharing for brand name abuse-deterrent opioid analgesic drug products covered pursuant to this subsection shall not exceed the lowest cost sharing level applied to brand name non-abuse deterrent opioid drugs covered under the applicable contract;
- (2) Cost sharing for generic abuse deterrent opioid analysesic drug products covered pursuant to this subsection shall not exceed the lowest cost sharing level applied to generic non-abuse deterrent opioid drugs covered under the applicable contract;
- (3) An increase in patient cost sharing or disincentives for a prescriber or dispenser shall not be allowed to achieve compliance with this section; and
- (4) Any prior authorization requirements or other utilization review measures for opioid analgesic drugs, and any service denials made pursuant thereto, shall not require first use of non-abuse-deterrent opioid analgesic drugs in order to access opioid analgesic drugs with abuse-deterrent properties. Nothing in this subsection shall be construed to prevent the application of prior authorization requirements to abuse-deterrent opioid analgesic drugs, provided that those requirements are also applied to non-abuse-deterrent versions of that opioid.
- b. The provisions of this section shall apply to those policies in which the insurer has reserved the right to change the premium.
  - c. As used in this section:
- "Abuse-deterrent opioid analgesic drug" means a brand or generic opioid analgesic drug approved by the United States Food and Drug Administration with abuse-deterrence labeling claims indicating its abuse-deterrent properties are expected to deter or reduce its abuse.
- "Cost sharing" means any coverage limit, copayment, coinsurance, deductible, or other out-of-pocket expense requirements.
- "Opioid analgesic drug" means a drug in the opioid analgesic drug class prescribed to treat moderate to severe pain or other conditions, whether in immediate release or extended release form,

- 6. a. An individual health benefits plan that provides hospital or medical expense benefits and is delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act, shall provide coverage on its formulary, drug list, or other lists of similar construct for at least one prescribed abuse-deterrent opioid analgesic drug product per opioid analgesic active ingredient, subject to the following requirements:
- (1) Cost sharing for brand name abuse-deterrent opioid analgesic drug products covered pursuant to this subsection shall not exceed the lowest cost sharing level applied to brand name non-abuse deterrent opioid drugs covered under the applicable contract;
- (2) Cost sharing for generic abuse deterrent opioid analysesic drug products covered pursuant to this subsection shall not exceed the lowest cost sharing level applied to generic non-abuse deterrent opioid drugs covered under the applicable contract;
- (3) An increase in patient cost sharing or disincentives for a prescriber or dispenser shall not be allowed to achieve compliance with this section; and
- (4) Any prior authorization requirements or other utilization review measures for opioid analgesic drugs, and any service denials made pursuant thereto, shall not require first use of non-abuse-deterrent opioid analgesic drugs in order to access opioid analgesic drugs with abuse-deterrent properties. Nothing in this subsection shall be construed to prevent the application of prior authorization requirements to abuse-deterrent opioid analgesic drugs, provided that those requirements are also applied to non-abuse-deterrent versions of that opioid.
- b. The provisions of this section shall apply to all individual health benefits plans in which the carrier has reserved the right to change the premium.
  - c. As used in this section:
- "Abuse-deterrent opioid analgesic drug" means a brand or generic opioid analgesic drug approved by the United States Food and Drug Administration with abuse-deterrence labeling claims indicating its abuse-deterrent properties are expected to deter or reduce its abuse.
- "Cost sharing" means any coverage limit, copayment, coinsurance, deductible, or other out-of-pocket expense requirements.
- 45 "Opioid analgesic drug" means a drug in the opioid analgesic 46 drug class prescribed to treat moderate to severe pain or other 47 conditions, whether in immediate release or extended release form,

- 7. a. A small employer health benefits plan that provides hospital or medical expense benefits and is delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act, shall provide coverage on its formulary, drug list, or other lists of similar construct for at least one prescribed abuse-deterrent opioid analgesic drug product per opioid analgesic active ingredient, subject to the following requirements:
- (1) Cost sharing for brand name abuse-deterrent opioid analgesic drug products covered pursuant to this subsection shall not exceed the lowest cost sharing level applied to brand name non-abuse deterrent opioid drugs covered under the applicable contract;
- (2) Cost sharing for generic abuse deterrent opioid analysesic drug products covered pursuant to this subsection shall not exceed the lowest cost sharing level applied to generic non-abuse deterrent opioid drugs covered under the applicable contract;
- (3) An increase in patient cost sharing or disincentives for a prescriber or dispenser shall not be allowed to achieve compliance with this section; and
- (4) Any prior authorization requirements or other utilization review measures for opioid analgesic drugs, and any service denials made pursuant thereto, shall not require first use of non-abuse-deterrent opioid analgesic drugs in order to access opioid analgesic drugs with abuse-deterrent properties. Nothing in this subsection shall be construed to prevent the application of prior authorization requirements to abuse-deterrent opioid analgesic drugs, provided that those requirements are also applied to non-abuse-deterrent versions of that opioid.
- b. The provisions of this section shall apply to all small employer health benefits plans in which the carrier has reserved the right to change the premium.
  - c. As used in this section:
- "Abuse-deterrent opioid analgesic drug" means a brand or generic opioid analgesic drug approved by the United States Food and Drug Administration with abuse-deterrence labeling claims indicating its abuse-deterrent properties are expected to deter or reduce its abuse.
- "Cost sharing" means any coverage limit, copayment, coinsurance, deductible, or other out-of-pocket expense requirements.
- "Opioid analgesic drug" means a drug in the opioid analgesic drug class prescribed to treat moderate to severe pain or other conditions, whether in immediate release or extended release form,

- 8. a. A health maintenance organization contract that provides hospital or medical expense benefits and is delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act, shall provide coverage on its formulary, drug list, or other lists of similar construct for at least one prescribed abuse-deterrent opioid analgesic drug product per opioid analgesic active ingredient, subject to the following requirements:
- (1) Cost sharing for brand name abuse-deterrent opioid analgesic drug products covered pursuant to this subsection shall not exceed the lowest cost sharing level applied to brand name non-abuse deterrent opioid drugs covered under the applicable contract;
- (2) Cost sharing for generic abuse deterrent opioid analysesic drug products covered pursuant to this subsection shall not exceed the lowest cost sharing level applied to generic non-abuse deterrent opioid drugs covered under the applicable contract;
- (3) An increase in patient cost sharing or disincentives for a prescriber or dispenser shall not be allowed to achieve compliance with this section; and
- (4) Any prior authorization requirements or other utilization review measures for opioid analgesic drugs, and any service denials made pursuant thereto, shall not require first use of non-abuse-deterrent opioid analgesic drugs in order to access opioid analgesic drugs with abuse-deterrent properties. Nothing in this subsection shall be construed to prevent the application of prior authorization requirements to abuse-deterrent opioid analgesic drugs, provided that those requirements are also applied to non-abuse-deterrent versions of that opioid.
- b. The provisions of this section shall apply to those contracts by health maintenance organizations in which the health maintenance organization has reserved the right to change the premium.
  - c. As used in this section:
- "Abuse-deterrent opioid analgesic drug" means a brand or generic opioid analgesic drug approved by the United States Food and Drug Administration with abuse-deterrence labeling claims indicating its abuse-deterrent properties are expected to deter or reduce its abuse.
- 43 "Cost sharing" means any coverage limit, copayment, 44 coinsurance, deductible, or other out-of-pocket expense 45 requirements.
- 46 "Opioid analgesic drug" means a drug in the opioid analgesic 47 drug class prescribed to treat moderate to severe pain or other 48 conditions, whether in immediate release or extended release form,

- 9. a. The State Health Benefits Commission shall ensure that every contract purchased by the commission on or after the effective date of this act that provides hospital or medical expense benefits shall provide coverage on its formulary, drug list, or other lists of similar construct for at least one prescribed abuse-deterrent opioid analgesic drug product per opioid analgesic active ingredient, subject to the following requirements:
- (1) Cost sharing for brand name abuse-deterrent opioid analgesic drug products covered pursuant to this subsection shall not exceed the lowest cost sharing level applied to brand name non-abuse deterrent opioid drugs covered under the applicable contract;
- (2) Cost sharing for generic abuse deterrent opioid analysesic drug products covered pursuant to this subsection shall not exceed the lowest cost sharing level applied to generic non-abuse deterrent opioid drugs covered under the applicable contract;
- (3) An increase in patient cost sharing or disincentives for a prescriber or dispenser shall not be allowed to achieve compliance with this section; and
- (4) Any prior authorization requirements or other utilization review measures for opioid analgesic drugs, and any service denials made pursuant thereto, shall not require first use of non-abuse-deterrent opioid analgesic drugs in order to access opioid analgesic drugs with abuse-deterrent properties. Nothing in this subsection shall be construed to prevent the application of prior authorization requirements to abuse-deterrent opioid analgesic drugs, provided that those requirements are also applied to non-abuse-deterrent versions of that opioid.

#### b. As used in this section:

"Abuse-deterrent opioid analgesic drug" means a brand or generic opioid analgesic drug approved by the United States Food and Drug Administration with abuse-deterrence labeling claims indicating its abuse-deterrent properties are expected to deter or reduce its abuse.

"Cost sharing" means any coverage limit, copayment, coinsurance, deductible, or other out-of-pocket expense requirements.

"Opioid analgesic drug" means a drug in the opioid analgesic 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 other dosage form.

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

- expense benefits shall provide coverage on its formulary, drug list, or other lists of similar construct for at least one prescribed abuse-deterrent opioid analgesic drug product per opioid analgesic active ingredient, subject to the following requirements:
  - (1) Cost sharing for brand name abuse-deterrent opioid analgesic drug products covered pursuant to this subsection shall not exceed the lowest cost sharing level applied to brand name non-abuse deterrent opioid drugs covered under the applicable contract;
  - (2) Cost sharing for generic abuse deterrent opioid analysesic drug products covered pursuant to this subsection shall not exceed the lowest cost sharing level applied to generic non-abuse deterrent opioid drugs covered under the applicable contract;
  - (3) An increase in patient cost sharing or disincentives for a prescriber or dispenser shall not be allowed to achieve compliance with this section; and
  - (4) Any prior authorization requirements or other utilization review measures for opioid analgesic drugs, and any service denials made pursuant thereto, shall not require first use of non-abuse-deterrent opioid analgesic drugs in order to access opioid analgesic drugs with abuse-deterrent properties. Nothing in this subsection shall be construed to prevent the application of prior authorization requirements to abuse-deterrent opioid analgesic drugs, provided that those requirements are also applied to non-abuse-deterrent versions of that opioid.
    - b. As used in this section:

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"Abuse-deterrent opioid analgesic drug" means a brand or generic opioid analgesic drug approved by the United States Food and Drug Administration with abuse-deterrence labeling claims indicating its abuse-deterrent properties are expected to deter or reduce its abuse.

"Cost sharing" means any coverage limit, copayment, coinsurance, deductible, or other out-of-pocket expense requirements.

"Opioid analgesic drug" means a drug in the opioid analgesic 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 other dosage form.

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

STATEMENT

This bill requires health insurers to provide health benefits coverage for prescribed abuse-deterrent opioid analysesic drugs. Opioid analysesic drugs are drugs prescribed to treat moderate to severe pain or other conditions. Abuse-deterrent opioid analysesic drugs are a

- brand or generic opioid analgesic drug approved by the United States
  Food and Drug Administration with abuse-deterrence labeling claims
  indicating its abuse-deterrent properties are expected to deter or reduce
  its abuse.
  - The bill requires health insurers to provide coverage on the insurer's formulary, drug list, or other lists of similar construct, for at least one prescribed abuse-deterrent opioid analgesic drug product per

8 opioid analgesic active ingredient, subject to the following:

- (1) Cost sharing for brand name abuse-deterrent opioid analgesic drug products shall not exceed the lowest cost sharing level applied to brand name non-abuse deterrent opioid drugs covered under the applicable contract;
- (2) Cost sharing for generic abuse deterrent opioid analysesic drug products shall not exceed the lowest cost sharing level applied to generic non-abuse deterrent opioid drugs covered under the applicable contract;
- (3) An increase in patient cost sharing or disincentives for a prescriber or dispenser shall not be allowed to achieve compliance with the bill's provisions; and
- (4) Any prior authorization requirements or other utilization review measures for opioid analgesic drugs, and any service denials made pursuant thereto, shall not require first use of non-abuse-deterrent opioid analgesic drugs in order to access opioid analgesic drugs with abuse-deterrent properties.
- The bill applies to 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
- 30 Employees' Health Benefits Program.