



For Immediate Release
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Department of Managed Care Announces New Prescription Drug Protections for HMO Consumers

(**Sacramento**) – New prescription drug protections for California HMO enrollees are now available for public comment, according to Cindy Ehnes, Director of the Department of Managed Health Care (DMHC). The regulations will give HMO consumers new assurances that medically necessary drugs prescribed by their doctor will be covered by their health plans. Previously, no uniform standards have existed to guide health plans when developing their list of covered drugs.

“California is now the only state in the nation to have clear, comprehensive standards for consumers to have access to medically necessary prescription drugs,” said Ehnes. “With these new regulations, there will be no doubt in a patient’s mind as to which drugs are covered, and the vast majority of prescription drugs will be available to California HMO consumers.”

In 2002, Senator Jackie Speier (D-San Francisco/San Mateo), sponsored SB 842 to provide consumers greater protections for access to medically necessary prescription drugs. The legislation required the DMHC to draft regulations for health plans that offer prescription drug benefits to follow when making decisions about the drugs to be covered.

“Patients need to feel confident that when their doctor prescribes a necessary drug their insurance will cover it at an affordable price,” said Speier. “Patient health is the bottom line.”

While some of the requirements of the new regulations reflect current practice, those requirements now must be followed as a matter of law. Under the regulations, every health plan that offers outpatient prescription drug benefits must provide all medically necessary prescription drugs. In limited instances, plans are allowed to exclude drugs without a proven specific medical

(more)

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benefit, such as those used exclusively for cosmetic purposes, weight loss or sexual performance. Any request to exclude a drug must be supported by medical evidence and must be approved by the DMHC Director.

The regulations also strengthen consumer protections by bringing consistency and certainty to co-payments. Percentage copayments for drugs are not to exceed 50 percent of the price of the drug and are never to exceed the retail price. Any proposed copayment will be reviewed according to the new standards and will include the net effect on affordability and accessibility of coverage. Additionally, health plans must disclose all drug exclusions and limitations on their web sites and in their Evidence of Coverage.

Further information on the proposed regulations can be found on the DMHC Web site at www.hmohelp.ca.gov. Consumers and others are invited to submit public comment to DMHC by Jan. 31, 2005, either by e-mail via the Web site or by mail to the Department of Managed Health Care, ATTN: Regulation Coordinator, 980 Ninth Street, Suite 500, Sacramento, CA, 95814. The public comment period will end on Jan. 31, 2005.

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