

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1108

Short Title: State Health Plan/Diabetic Test Strips. (Public)

Sponsors: Senator Boseman.

Referred to: Select Committee on Employee Hospital and Medical Benefits.

March 22, 2007

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE COVERAGE FOR DIABETIC TEST STRIPS UNDER THE
2 TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR
3 MEDICAL PLAN PHARMACY BENEFIT.
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5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 135-40.5(g) reads as rewritten:

7 "(g) Prescription Drugs. – The Plan's allowable charges for prescription legend
8 drugs to be used outside of a hospital or skilled nursing facility are to be determined by
9 the Plan's Executive Administrator and Board of Trustees. The Plan will pay allowable
10 charges for each outpatient prescription drug less a copayment to be paid by each
11 covered individual equal to the following amounts: pharmacy charges up to ten dollars
12 (\$10.00) for each generic prescription, twenty five dollars (\$25.00) for each preferred
13 branded prescription, and forty dollars (\$40.00) for each preferred branded prescription
14 with a generic equivalent drug, and fifty dollars (\$50.00) for each nonpreferred branded
15 or generic prescription.

16 Allowable charges shall not be greater than a pharmacy's usual and customary
17 charge to the general public for a particular prescription. Prescriptions shall be for no
18 more than a 34-day supply for the purposes of the copayments paid by each covered
19 individual. By accepting the copayments and any remaining allowable charges provided
20 by this subsection, pharmacies shall not balance bill an individual covered by the Plan.
21 A prescription legend drug is defined as an article the label of which, under the Federal
22 Food, Drug, and Cosmetic Act, is required to bear the legend: "Caution: Federal Law
23 Prohibits Dispensing Without Prescription." Such articles may not be sold to or
24 purchased by the public without a prescription order. Benefits are provided for insulin
25 even though a prescription is not required. Benefits are provided for diabetic test strips
26 for patients with a medical history of diabetes. The Plan may use a pharmacy benefit
27 manager to help manage the Plan's outpatient prescription drug coverage. In managing
28 the Plan's outpatient prescription drug benefits, the Plan and its pharmacy benefit
29 manager shall not provide coverage for erectile dysfunction, growth hormone,

1 antiwrinkle, weight loss, and hair growth drugs unless such coverage is medically
2 necessary to the health of the member. The Plan and its pharmacy benefit manager shall
3 not provide coverage for growth hormone and weight loss drugs and antifungal drugs
4 for the treatment of nail fungus and botulinum toxin without approval in advance by the
5 pharmacy benefit manager. Any formulary used by the Plan's Executive Administrator
6 and pharmacy benefit manager shall be an open formulary. Plan members shall not be
7 assessed more than two thousand five hundred dollars (\$2,500) per person per fiscal
8 year in copayments required by this subsection."

9 **SECTION 2.** This act becomes effective July 1, 2007.