§ 1342.73. Drug formulary

(a)(1) With respect to an individual or group health care service plan

contract subject to Section 1367.006, the copayment, coinsurance, or any other form of cost sharing for a covered outpatient prescription drug for an individual prescription for a supply of up to 30 days shall not exceed two hundred fifty dollars ($250), except as provided in paragraphs (2) and (3).

(2) With respect to products with actuarial value at, or equivalent to, the bronze level, cost sharing for a covered outpatient prescription drug for an individual prescription for a supply of up to 30 days shall not exceed five hundred dollars ($500), except as provided in paragraph (3).

(3) For a health care service plan contract that is a "high deductible health plan" under the definition set forth in Section 223(c)(2) of Title 26 of the United States Code, paragraphs (1) and (2) of this subdivision shall apply only once an enrollee's deductible has been satisfied for the year.

(4) For a nongrandfathered individual or small group health care service plan contract, the annual deductible for outpatient drugs, if any, shall not exceed twice the amount specified in paragraph (1) or (2), respectively.

(5) For purposes of paragraphs (1) and (2), "any other form of cost sharing" shall not include a deductible.

(6) A copayment or percentage coinsurance shall not exceed 50 percent of the cost to the plan, as described in Section 1300.67.24 of Title 28 of the California Code of Regulations.

(7) If there is a generic equivalent to a brand name drug, a plan shall ensure that the enrollee is subject to the lowest cost sharing that would be applied, whether or not both the generic equivalent and the brand name drug are on the formulary. This paragraph shall not be construed to require both the generic equivalent and the brand name drug to be on the formulary.

(b)(1) If a health care service plan contract for a nongrandfathered individual or small group product maintains a drug formulary grouped into tiers that includes a fourth tier, a health care service plan contract shall use the following definitions for each tier of the drug formulary:

(A) Tier one shall consist of most generic drugs and low-cost preferred brand name drugs.

(B) Tier two shall consist of nonpreferred generic drugs, preferred brand name drugs, and any other drugs recommended by the health care service plan's pharmacy and therapeutics committee based on safety, efficacy, and cost.

(C) Tier three shall consist of nonpreferred brand name drugs or drugs that are recommended by the health care service plan's pharmacy and therapeutics committee based on safety, efficacy, and cost, or that generally have a preferred and often less costly therapeutic alternative at a lower tier.

(D) Tier four shall consist of drugs that the Food and Drug Administration of the United States Department of Health and Human Services or the manufacturer requires to be distributed through a specialty pharmacy, drugs that require the enrollee to have special training or clinical monitoring for self-administration, or drugs that cost the health plan more than six hundred dollars ($600) net of rebates for a one-month supply.

(2) In placing specific drugs on specific tiers, or choosing to place a drug on the formulary, the health care service plan shall comply with the other provisions of this section and this chapter.

(3) A health care service plan contract may maintain a drug formulary with fewer than four tiers. A health care service plan contract shall not maintain a drug formulary with more than four tiers.

(4) This section shall not be construed to limit a health care service plan from placing any drug in a lower tier.

(c) This section does not apply to a health care service plan contract with the State Department of Health Care Services.

HISTORY:

Added Stats 2018 ch 787 § 4 (SB 1021), effective January 1, 2019, repealed January 1, 2024. Amended Stats 2023 ch 820 § 1 (AB 948), effective January 1, 2024.