

Removing barriers to orally administered cancer medications

Out-of-pocket costs capped at \$200 per 30-day supply



Overview of California Assembly Bill 219¹

Steep out-of-pocket costs often form a barrier to effective treatment. Assembly Bill 219, Health Care Coverage: Cancer Treatment (AB 219), will institute a price cap on oral cancer medications, offering more patients access to standard-of-care oncology.

Effective January 1, 2015, AB 219 will limit a patient's total co-payment and coinsurance for an oral cancer medication to **\$200 per 30-day supply**.

Expanding treatment opportunities

Legal and historical context¹

The Knox-Keene Health Care Service Plan Act of 1975 placed the regulation of California health care service plans under the authority of the state's Department of Managed Health Care. Existing law also established the regulation of health insurers by the state's Department of Insurance.

AB 219 was enacted to combat the rising out-of-pocket costs for oral cancer medications. Both the California Department of Managed Health Care and the Department of Insurance will enforce the bill, and refusal to comply will be a crime.

AB 219 in detail¹

AB 219 prohibits any insurance policy or plan enacted on or after January 1, 2015, that provides coverage for oral cancer medications from requiring co-payments or coinsurance, excluding deductibles, to exceed \$200 for a 30-day supply of a prescribed oral cancer medication.

Considerations

- The bill applies to policies and plans that meet the definition of high-deductible health plans and will apply only after the deductible has been satisfied for the year
- Starting on January 1, 2016, the \$200 limit may be increased every year by the percentage increase in the Consumer Price Index
- A prescription for an oral cancer medication must be provided, consistent with the appropriate standard of care
- The \$200 limit does not apply to coverage under a Medicare health care service plan
- These provisions will remain in effect until January 1, 2019, unless a statute is enacted that changes this date

Additional information

For a copy of the bill: http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140AB219

For health plan information, California Department of Managed Health Care: <http://www.dmhc.ca.gov>

For insurance information, California Department of Insurance: www.insurance.ca.gov

Reference: 1. California Assembly Bill No. 219. Chapter 661. An act to add and repeal Section 1367.656 of the Health and Safety Code, and to add and repeal Section 10123.206 of the Insurance Code, relating to health care coverage. Approved October 9, 2013. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140AB219. Accessed February 20, 2014.