



ASSEMBLYMEMBER JOAQUIN ARAMBULA, M.D. 31ST ASSEMBLY DISTRICT

AB 1880 – Step Therapy Medi-Cal Parity

Summary

AB 1880 provides immediate access to necessary medications for individuals with chronic illnesses, regardless of whether they receive medical care through private insurance or Medi-Cal. In doing so, this bill ensures equity and reduces the prolonged harm that can result by delayed access to these medications for Medi-Cal beneficiaries.

Background

Thousands of Californians are living with chronic health conditions that require continuous medication(s). However, not everyone responds to treatment in the same way. Some drugs may be more effective for certain people while other drugs do not help or can even cause harmful side effects. Modern medicine allows physicians to identify the most effective treatment for a patient based on their medical history and other unique factors.

Unfortunately, insurance plans can deny coverage of the most effective treatment. Instead, they can require a patient to undergo “step therapy”, a policy in which patients are forced to try medications of the insurance company’s choosing before covering the medication recommended by the patient’s health care provider. A patient may show no response to one or more medications in the step therapy regimen before having access to the medication prescribed by the patient’s doctor.

Too often insurance companies do not fully account for a patient’s unique condition and medical history but instead will order medications in a step therapy program by increasing cost. Their intent is to reduce health care costs through this process. Unfortunately, this is not always the case, and both patients and providers often experience challenges with the step therapy process.

One challenge is that even if a physician is confident some medications will not be effective or that one medication would be best, insurance may still require the patient to fail on others first. This leads to delays in treating a patient’s illness. On the patient’s end, depending on the condition, this may mean prolonged pain or discomfort. Further, if a patient receives a denial, the current appeals process allows for a review of the decision by a physician

or provider not adequately trained in the area of medicine of the patient’s condition, leading to insufficient review of appeals. By extending the step therapy exception to Medi-Cal, physicians will be empowered to immediately connect all patients to the right medication given their unique medical history.

Current Law

Current law (Stats. 2021, Ch 742) creates a framework for step therapy exceptions requested by physicians of patients covered by private insurance.

This Bill

AB 1880:

- 1) Creates equity in insurance coverage of medications by allowing Medi-Cal beneficiaries’ physicians to request a step therapy exception.
- 2) Outlines a number of criteria and patient-specific situations that may be used as the basis of a step therapy exception request.
- 3) Outlines the appeals process for enrollees, their designee, and health care providers to appeals denials of an exception.
- 4) Details procedures for review of step therapy exception requests.
- 5) Ensures the individuals reviewing any step therapy exception appeal are of the same or similar specialty as the individual requesting the prescription.
- 6) Requires a payer to notify the prescribing provider of approval or denial of a step therapy exception request or a prior authorization request.
- 7) Creates a reporting framework to track the use of step therapy exceptions.

Sponsors

Arthritis Foundation (co-sponsor)
California Rheumatology Alliance (co-sponsor)
Crohn’s & Colitis Foundation (co-sponsor)
Biogen

For More Information

Grayson Doucette, Ph.D.
Office of Assemblymember Dr. Arambula
916.319.2031 | Grayson.Doucette@asm.ca.gov