
OLR Bill Analysis

sSB 331

AN ACT CONCERNING STEP THERAPY REQUIREMENTS FOR PRESCRIPTION DRUGS COVERED UNDER THE MEDICAID PROGRAM AND REQUIRED NOTICE TO ENROLLEES OF PRESCRIPTION DRUG PAYMENT SUSPENSIONS, DENIALS OR IMPOSITION OF NEW REQUIREMENTS.

SUMMARY

This bill changes the allowed duration for step therapy for Medicaid prescription drugs and sets notice requirements for HUSKY Health enrollees affected by decisions related to prescription drugs, step therapy, or prior authorization requirements.

Existing law allows the Department of Social Services (DSS) commissioner to establish a step therapy program for Medicaid prescription drugs. Under this program, she may condition Medicaid payments on a requirement that the patient use a drug from the preferred drug list before any other prescribed drug, with certain exceptions. Current law limits the duration of a step therapy requirement to 30 days, after which a practitioner may deem the drug clinically ineffective for the patient. The bill allows DSS to impose a step therapy requirement for a period of time that adheres to evidence-based guidelines issued by the drug manufacturer and the FDA. If these guidelines do not exist, the 30-day limit applies. As under existing law, if the practitioner deems the drug ineffective, the drug the practitioner prescribes and recommends is dispensed and covered by Medicaid.

EFFECTIVE DATE: Upon passage

NOTICE REQUIREMENTS

The bill requires DSS, or an entity it contracts with to administer pharmacy benefits, to provide certain notices to HUSKY Health enrollees affected by a DSS decision to (1) deny or suspend payment for a prescription drug or (2) institute new step therapy or prior

authorization requirements, as shown in the table below. (HUSKY Health generally includes Medicaid and the State Children’s Health Insurance Program.)

Table: Required Notice for Certain Actions

<i>Action</i>	<i>Required Notice</i>
Denial, for any reason, of a prescription payment request submitted electronically by the pharmacy	Individualized written notice (1) at the pharmacy when payment is denied or (2) through U.S. mail within 24 business hours after the denial
Planned electronic payment suspension or termination for a prescribed drug	Written notice by U.S. mail at least 10 days before the suspension or termination
A new prior authorization or step therapy requirement for a prescription drug	Written notice by U.S. mail when DSS informs prescribers of the requirements or 60 days before implementing them, whichever is earlier

The bill requires the notices for new prior authorization or step therapy requirements to include information in plain language about the requirements, how to comply with them, and the importance of talking to prescribers about available alternative prescription drugs.

The bill requires all notices to include information on any due process or appeal rights an enrollee has under state and federal laws and regulations, including federal regulations on agency hearing procedures, fair hearing notices, and advance notice of actions.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute

Yea 23 Nay 0 (03/19/2026)