

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 935

Short Title: Health Coverage/Certain Drugs.

(Public)

Sponsors: Senators Kaplan; and Ward.

Referred to: Insurance.

April 21, 1993

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THAT CERTAIN PRESCRIPTION DRUGS FOR CANCER TREATMENT BE COVERED UNDER HEALTH AND ACCIDENT INSURANCE POLICIES, IN HOSPITAL OR MEDICAL SERVICES PLANS, IN THE STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN, AND IN HMO PLANS.

The General Assembly of North Carolina enacts:

Section 1. Article 51 of Chapter 58 of the General Statutes is amended by adding the following new section to read:

"§ 58-51-58. Coverage of certain prescribed drugs for cancer treatment.

(a) No policy or contract of accident or health insurance, and no preferred provider contract, policy, or plan as defined and regulated under G.S. 58-50-50 and G.S. 58-50-55, that is issued, renewed, or amended on or after January 1, 1994, and that provides coverage for prescribed drugs approved by the federal Food and Drug Administration for the treatment of certain types of cancer shall exclude coverage of any drug on the basis that the drug has been prescribed for the treatment of a type of cancer for which the drug has not been approved by the federal Food and Drug Administration. The drug, however, must be approved by the federal Food and Drug Administration and must be recognized for the treatment of the specific type of cancer for which the drug has been prescribed in any one of the following established reference compendia:

(1) The American Medical Association Drug Evaluations;

(2) The American Hospital Formulary Service Drug Information; or

1 (3) The United States Pharmacopeia Drug Information; or recommended
2 by review article or editorial comment in a major peer-reviewed
3 professional journal published in the United States.

4 (b) Notwithstanding subsection (a) of this section, coverage shall not be required
5 for any experimental or investigational drugs or any drug that the federal Food and Drug
6 Administration has determined to be contraindicated for treatment of the specific type of
7 cancer for which the drug has been prescribed.

8 (c) This section shall apply only to cancer drugs and nothing in this section shall
9 be construed, expressly or by implication, to create, impair, alter, limit, notify, enlarge,
10 abrogate, or prohibit reimbursement for drugs used in the treatment of any other disease
11 or condition."

12 Sec. 2. Article 54 of Chapter 58 of the General Statutes is amended by adding
13 the following new section to read:

14 "**§ 58-54-11. Coverage of certain prescribed drugs for cancer treatment.**

15 (a) No policy that is issued, renewed, or amended on or after January 1, 1994,
16 and that provides coverage for prescribed drugs approved by the federal Food and Drug
17 Administration for the treatment of certain types of cancer shall exclude coverage of
18 any drug on the basis that the drug has been prescribed for the treatment of a type of
19 cancer for which the drug has not been approved by the federal Food and Drug
20 Administration. The drug, however, must be approved by the federal Food and Drug
21 Administration and must be recognized for the treatment of the specific type of cancer
22 for which the drug has been prescribed in any one of the following established reference
23 compedia:

24 (1) The American Medical Association Drug Evaluations;

25 (2) The American Hospital Formulary Service Drug Information; or

26 (3) The United States Pharmacopeia Drug Information; or recommended
27 by review article or editorial comment in a major peer-reviewed
28 professional journal published in the United States.

29 (b) Notwithstanding subsection (a) of this section, coverage shall not be required
30 for any experimental or investigational drugs or any drug that the federal Food and Drug
31 Administration has determined to be contraindicated for treatment of the specific type of
32 cancer for which the drug has been prescribed.

33 (c) This section shall apply only to cancer drugs and nothing in this section shall
34 be construed, expressly or by implication, to create, impair, alter, limit, notify, enlarge,
35 abrogate, or prohibit reimbursement for drugs used in the treatment of any other disease
36 or condition."

37 Sec. 3. Article 65 of Chapter 58 of the General Statutes is amended by adding
38 the following new section to read:

39 "**§ 58-65-93. Coverage of certain prescribed drugs for cancer treatment.**

40 (a) No insurance certificate or subscriber contract under any hospital service plan
41 or medical service plan governed by this Article and Article 66 of this Chapter, and no
42 preferred provider contract, policy, or plan as defined and regulated under G.S. 58-50-
43 50 and G.S. 58-50-55, that is issued, renewed, or amended on or after January 1, 1994,
44 and that provides coverage for prescribed drugs approved by the federal Food and Drug

1 Administration for the treatment of certain types of cancer shall exclude coverage of
2 any drug on the basis that the drug has been prescribed for the treatment of a type of
3 cancer for which the drug has not been approved by the federal Food and Drug
4 Administration. The drug, however, must be approved by the federal Food and Drug
5 Administration and must be recognized for the treatment of the specific type of cancer
6 for which the drug has been prescribed in any one of the following established reference
7 compendia:

8 (1) The American Medical Association Drug Evaluations;

9 (2) The American Hospital Formulary Service Drug Information; or

10 (3) The United States Pharmacopeia Drug Information; or recommended
11 by review article or editorial comment in a major peer-reviewed
12 professional journal published in the United States.

13 (b) Notwithstanding subsection (a) of this section, coverage shall not be required
14 for any experimental or investigational drugs or any drug that the federal Food and Drug
15 Administration has determined to be contraindicated for treatment of the specific type of
16 cancer for which the drug has been prescribed.

17 (c) This section shall apply only to cancer drugs and nothing in this section shall
18 be construed, expressly or by implication, to create, impair, alter, limit, notify, enlarge,
19 abrogate, or prohibit reimbursement for drugs used in the treatment of any other disease
20 or condition."

21 Sec. 4. Article 67 of Chapter 58 of the General Statutes is amended by adding
22 the following new section to read:

23 **"§ 58-67-77. Coverage of certain prescribed drugs for cancer treatment.**

24 (a) No health care plan written by a health maintenance organization and in
25 force, issued, renewed, or amended on or after January 1, 1994, and that provides
26 coverage for prescribed drugs approved by the federal Food and Drug Administration
27 for the treatment of certain types of cancer shall exclude coverage of any drug on the
28 basis that the drug has been prescribed for the treatment of a type of cancer for which
29 the drug has not been approved by the federal Food and Drug Administration. The
30 drug, however, must be approved by the federal Food and Drug Administration and
31 must be recognized for the treatment of the specific type of cancer for which the drug
32 has been prescribed in any one of the following established reference compendia:

33 (1) The American Medical Association Drug Evaluations;

34 (2) The American Hospital Formulary Service Drug Information; or

35 (3) The United States Pharmacopeia Drug Information; or recommended
36 by review article or editorial comment in a major peer-reviewed
37 professional journal published in the United States.

38 (b) Notwithstanding subsection (a) of this section, coverage shall not be required
39 for any experimental or investigational drugs or any drug that the federal Food and Drug
40 Administration has determined to be contraindicated for treatment of the specific type of
41 cancer for which the drug has been prescribed.

42 (c) This section shall apply only to cancer drugs and nothing in this section shall
43 be construed, expressly or by implication, to create, impair, alter, limit, notify, enlarge,

1 abrogate, or prohibit reimbursement for drugs used in the treatment of any other disease
2 or condition."

3 Sec. 5. Article 50 of Chapter 58 of the General Statutes is amended by adding
4 the following new section to read:

5 **"§ 58-50-156. Coverage of certain prescribed drugs for cancer treatment.**

6 (a) Notwithstanding G.S. 58-50-125(c), if the standard health plan developed and
7 approved under G.S. 58-50-125 provides coverage for prescribed drugs approved by the
8 federal Food and Drug Administration for the treatment of certain types of cancer, then
9 coverage may not be excluded for any drug on the basis that the drug has been
10 prescribed for the treatment of a type of cancer for which the drug has not been
11 approved by the federal Food and Drug Administration. Coverage for such drugs shall
12 be as required under G.S. 58-51-58."

13 Sec. 6. Effective January 1, 1994, Chapter 135 of the General Statutes is
14 amended by adding the following new section to read:

15 **"§ 135-40.6B. Coverage of certain prescribed drugs for cancer treatment.**

16 (a) Coverage for prescription drugs approved by the federal Food and Drug
17 Administration for the treatment of certain types of cancer shall include coverage of any
18 drug prescribed for the treatment of a type of cancer notwithstanding that the drug has
19 not been approved by the federal Food and Drug Administration for that type of cancer.
20 The drug, however, must be approved by the federal Food and Drug Administration and
21 must be recognized for the treatment of the specific type of cancer for which the drug
22 has been prescribed in any one of the following established reference compendia:

23 (1) The American Medical Association Drug Evaluations;

24 (2) The American Hospital Formulary Service Drug Information; or

25 (3) The United States Pharmacopeia Drug Information; or recommended
26 by review article or editorial comment in a major peer-reviewed
27 professional journal published in the United States.

28 (b) Notwithstanding subsection (a) of this section, coverage shall not be required
29 for any experimental or investigational drugs or any drug that the federal Food and Drug
30 Administration has determined to be contraindicated for treatment of the specific type of
31 cancer for which the drug has been prescribed.

32 (c) This section shall apply only to cancer drugs and nothing in this section shall
33 be construed, expressly or by implication, to create, impair, alter, limit, notify, enlarge,
34 abrogate, or prohibit reimbursement for drugs used in the treatment of any other disease
35 or condition."

36 Sec. 7. This act is effective upon ratification.