Senate Bill 90 (2023)
Analysis at a Glance

CHBRP

Health Care Coverage: Insulin Affordability
as introduced on 12/16/2022

Background Context

About 12% of the adult population in California has been diagnosed with diabetes. Incidence of diabetes is highest among adults aged 65 and older.

In general, insulin prices have increased in recent years; cost may be a barrier to insulin use for some individuals.

Bill Summary

The version of California Senate Bill (SB) 90 analyzed by CHBRP would prohibit plans and policies from imposing a deductible and coinsurance on insulin prescriptions and would limit copayments of insulin to $35 for a 30-day supply.

Insurance Subject to the Mandate

Of the 22.8 million Californians enrolled in state-regulated health insurance, 14 million would have insurance subject to, and potentially impacted by, SB 90:

- ☑ CDI and DMHC Regulated (Commercial & CalPERS)
- ☒ Medi-Cal
- ☒ Federally Regulated (Medicare beneficiaries, self-insured, etc.)

Medical Effectiveness

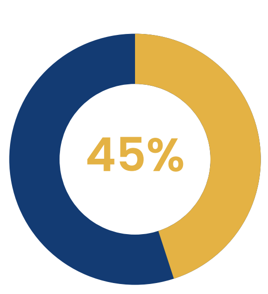
- Preponderance of evidence that higher cost sharing reduces adherence to insulin, and lower cost sharing increases adherence to insulin.
- Insufficient evidence on the associated effect of cost sharing for insulin on diabetes-related health outcomes.

Public Health Impacts

SB 90 may result in improved glycemic control, a reduction in healthcare utilization and improved quality of life for enrollees that experience a decrease in cost sharing and improved insulin adherence, or begin using insulin due to reduced costs.

Utilization

At baseline there are 123,442 enrollees who use insulin:



55,098 enrollees (45%) have cost sharing that exceeds the SB 90 cap.

Postmandate, this group would experience a 6.6% increase in utilization as a result of reduced cost sharing.

Cost Impacts

Postmandate, cost sharing for enrollees who had claims exceeding the cap would experience a 67% reduction in cost sharing, resulting in an average cost share of $20 per month.

SB 90 would increase total net annual expenditures by $30,028,000 or 0.02% for enrollees in DMHC-regulated plans and CDI-regulated policies.

0.02%

California Health Benefits Review Program (CHBRP), California Department of Insurance (CDI), and California Department of Managed Health Care (DMHC)

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