

SUMMARY

ARKANSAS INSURANCE DEPARTMENT PROPOSED RULE 120

Coverage for Early Refills of Prescription Eye Drops

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To: Arkansas Legislative Council & Arkansas Bureau of Legislative Research

From: Crystal Phelps, Associate Counsel, Arkansas Insurance Department

CC: Alan McClain, Arkansas Insurance Commissioner; Steve Porch, General Counsel, Arkansas Department of Commerce; Russ Galbraith, Deputy Insurance Commissioner; Jim Brader, General Counsel; Jennifer Bruce, Public and Legislative Affairs Director

Date: July 22, 2021

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LEGISLATIVE AUTHORITY FOR RULE

Section 2(a)(1) of Act 357 of 2021 requires the Arkansas Insurance Department (“AID”) to issue rules implementing Act 357.

BACKGROUND AND PURPOSE OF RULE

The purpose of this Rule is to implement Act 357 of 2021, which describes circumstances under which health benefit plans are required to provide coverage for early refills of prescription eye drops.

EXPLANATION OF THE PROPOSED RULE

Patients suffering from glaucoma and other degenerative eye diseases use daily prescription eye drops to prevent further harm. Many patients, particularly older patients, either spill some portion of the prescription eye drops or waste some portion of the drops due to failure to properly aim the drop into the eye. Such patients are then at risk of running out of their drops before a health benefit plan will provide coverage for a refill. Without the availability of early coverage, patients would either have to pay full price for an early refill or go without the drops and risk further endangering their vision. This rule explains when insurers are required to allow early refills.

According to the American Academy of Ophthalmology, more than 50% of the United States offers early refills of prescription eye drops. Oklahoma and Tennessee also allow early refills of prescription eye drops. The Centers for Medicare and Medicaid Services have similar guidelines for refilling eye drops for the Medicare Part D program.

Violations of this rule are considered to be unfair or deceptive acts under Ark. Code Ann. § 23-66-206, the Trade Practices Act. Therefore, the penalties, actions or orders, including but not limited to monetary fines, suspension, or revocation of license, as authorized under Ark. Code Ann. §§ 23-66-209 and 23-66-210, apply to violations of this Rule