

## **Insurance Bulletin No. 220**

### **Monthly Cap for Costs of Insulin Medications**

**April 20, 2021**

The purpose of this bulletin is to provide guidance on the Department's interpretation of the statutory monthly limit on policyholders' out-of-pocket spending for prescription insulin medications. 8 V.S.A. § 4089i(h) (effective Jan. 1, 2022).

Section 4089i(h) provides:

- (1) A health insurance or other health benefit plan offered by a health insurer or pharmacy benefit manager shall limit a beneficiary's total out-of-pocket responsibility for prescription insulin medications to not more than \$100.00 per 30-day supply, regardless of the amount, type, or number of insulin medications prescribed for the beneficiary.
- (2) The \$100.00 monthly limit on out-of-pocket spending for prescription insulin medications set forth in subdivision (1) of this subsection shall apply regardless of whether the beneficiary has satisfied any applicable deductible requirement under the health insurance or health benefit plan.

It is the Insurance Division's position based on the statutory text that the words "monthly limit . . . set forth in subdivision (1)" in § 4089i(h)(2) refer to the "30-day supply" for prescription insulin medications described in § 4089i(h)(1). This reading harmonizes the two adjacent subdivisions and appears to the Division to be the legislature's clear intent, as subdivision (1) does not refer to any other spending limit.

Accordingly, a policyholder's total out-of-pocket responsibility for prescription insulin medications (including any drug containing insulin) may not be more than \$100 per 30-day supply, regardless of the amount, type, or number of medications prescribed. For instance, if the policyholder has three insulin prescriptions for the 30-day period, his or her total out-of-pocket responsibility for that supply may not be more than \$100. However, a policyholder who



receives more than thirty days' supply of insulin in a given month, for use over a longer period, may be billed more than \$100 in that month. For instance, if the policyholder receives a 90-day supply of insulin, his or her total out-of-pocket responsibility for that supply may not be more than \$300.

This out-of-pocket maximum shall apply even if the policyholder has not met his or her annual deductible, and in no instance may a policyholder's total out-of-pocket responsibility for prescription medication exceed the maximum established under 8 V.S.A. § 4089i(c). For more information on the application of Vermont's out-of-pocket maximum for prescription medication, see Insurance Division Bulletin 171, revised on March 12, 2018.

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Date

