

COVERAGE FOR OFF-LABEL DRUG USE



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FISCAL ANALYSIS

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SENATE BILL 1241 AS PASSED BY THE SENATE FLOOR ANALYSIS - 6/26/02

Sponsor: Sen. John J. H. Schwarz

House Committee: Insurance and Financial Services

REVISED FLOOR ANALYSIS - 6/26/02

Analyst(s): Bill Fairgrieve

SENATE BILL 1242

Sponsor: Sen. John J. H. Schwarz

House Committee: Insurance and Financial Services

SUMMARY

Senate Bill 1241 and Senate Bill 1242 would require private health insurance and Blue Cross-Blue Shield policies that provide coverage for prescription drugs and HMO contracts to include coverage for off-label use of FDA-approved drugs, under certain conditions. The fiscal impact of the two bills is unknown because the extent of increased drug usage and the related expenditures cannot be determined. In addition, the potential increased costs associated with the expanded pharmaceutical coverage may be offset by reductions in the utilization of other currently prescribed medications and fewer incidents of more costly medical complications.