

Introduction of the State Update Quarterly Report – October 2024

The months of June through November are known in State Affairs as “the interim”; they are the months where the majority of state legislatures are not meeting because they have adjourned or are still in session but are not actively considering bills. This is a period when it is best to reflect on what happened during session to attempt to forecast what states will prioritize in the next session.

Birthday Rule/Medicare Supplement Enrollment

In 2024, only four states considered birthday rule legislation. California introduced a bill that would have expanded significantly upon their existing birthday rule. NABIP chapters in California and Virginia were engaged on these bills, which were both considered to be viable, and were able to effectively kill both bills.

California: CAHIP opposed [SB 1236](#), which would allow anyone who has a Part B plan to drop Medicare Supplement coverage throughout the year and re-enroll guarantee issue from January 1 through March 31 yearly. This practice would drive up costs for Medicare Supplement plans. California has already instituted a birthday rule allowing for a 60-day window following an enrollee’s birthday to change plans without underwriting, however under the birthday rule, an individual must already be enrolled in a Medicare Supplement plan whereas the provisions of SB 1236 create a “use it and drop scenario” that will ultimately drive up costs for everyone. CAHIP was instrumental in this bill’s defeat, with the bill dying within 24 hours of CAHIP’s Capitol Summit.

California Outlook: California’s legislature is not like Virginia’s where there is a procedure for bills to be “assigned” or “re assigned” to freshman legislators. It is unclear at this point if this language will be reintroduced next year, but other industry stakeholders are anticipating that it will be. NABIP will be ready for when the time comes with a grassroots approach to this bill.

Virginia: Virginia introduced [HB 64](#), which is an example of a standard birthday rule bill, establishing an enrollment period on the day of the individual’s birthday that will last for 30 days thereafter. NABIP-VA visited the sponsor during their day on the hill and educated the sponsor on the pitfalls of this type of legislation. After their meeting, much of the initial support for the bill was lost.

Virginia Outlook: According to sources in state, a bill with similar or identical language will be introduced next session, but likely by a different Delegate. In Virginia, the legislature has a “basket of bills,” which are distributed to freshman members by leadership to give them bills to sponsor and potentially give them an easy win early in their career. It is likely that the birthday rule bill language is a “basket bill” and will be passed out to another freshman member of the legislature randomly. Because of this, it will likely be easy to defeat next session.

Coverage Mandates

In 2024, much like every other year, states introduced dozens of bills that would mandate coverage for specific services or drugs. NABIP's broad approach to these bills is that coverage mandates for services like routine screenings that are non-controversial, are largely already covered, and do not have a significant impact on premiums will not be prioritized. However, NABIP will weigh in on these bills when the service or drug has an extremely high cost that will have a significant impact on premiums.

Ozempic/GLP-1 Weight Loss Drug Mandates: [These bills](#) were popular in the 2024 session but are going to be even more popular in 2025. These mandates are a concern because these drugs cost nearly \$1,000 per month per utilizing member and would increase employers' healthcare spending by 50 percent if only half of an employer's eligible workforce takes these drugs.

Outlook: In 2024, NABIP closely monitored five viable bills that required coverage of anti-obesity drugs by private insurance, and three that required coverage under Medicaid. With more states convening in 2025 and the overall conversation around anti-obesity drugs expanding, it is expected that this number will rise.

PBM Reform

PBM reform was and will continue to be a hot topic for state legislatures. In 2024, NABIP identified [25 priority bills across 12 states](#). This number is expected to rise in 2025, with more states convening along with some of the 2024 bills being refiled.

Dispensing fees: 21 out of the 25 priority PBM reform bills NABIP monitored and advocated on in 2024 contained dispensing fees. These are \$10 fees that are meant to help community pharmacies, but these costs will inevitably be passed along to the consumer, resulting in significantly higher prices per prescription dispensed.

Outlook: It is expected that more of these bills will be introduced in 2025 with more states convening.

Model Legislation: Iowa has been identified as a state where there is a desire, as well as an opportunity, to introduce NABIP's model legislation. Marcie Strouse, the Region 4 legislative chair, and other members of the Iowa chapter, have been actively meeting with stakeholders in the state and getting feedback. While no stakeholders are necessarily opposed to any aspect of the model bill, the changes to existing law will need to be done incrementally, so the RX Working Group is scaling the bill's scope back in order to establish momentum, while opening the door to introducing the rest of the bill in pieces over the next few sessions.