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SENATE BILL NO. 642

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance and Appropriations on February 5, 2026)

(Patron Prior to Substitute—Senator Pillion)

A BILL to amend the Code of Virginia by adding in Article 1 of Chapter 34 of Title 38.2 a section numbered 38.2-3407.23, relating to health insurance; coverage of medications prescribed for the treatment of cancer and certain diseases.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 1 of Chapter 34 of Title 38.2 a section numbered 38.2-3407.23 as follows:

§ 38.2-3407.23. Requirements for coverage of medications prescribed for the treatment of cancer and diseases of the blood.

A. Each (i) insurer proposing to issue individual or group accident and sickness insurance policies providing hospital, medical and surgical, or major medical coverage on an expense-insured basis; (ii) corporation providing individual or group accident and sickness subscription contracts; and (iii) health maintenance organization providing a health care plan for health care services, whose policies, contracts, or plans, including any certificate or evidence of coverage issued in connection with such policies, contracts, or plans, include coverage for drugs prescribed and FDA-approved for the treatment of cancer or diseases of the blood, shall allow, at the patient's direction:

1. Provider-administered drugs for the treatment of cancer and diseases of the blood to be dispensed by an in-network treating provider consistent with provider agreement;

2. Provider-administered drugs for the treatment of cancer and diseases of the blood to be dispensed by an in-network treating provider when there is a documented delay of at least three days in the delivery of a medication from the designated specialty pharmacy; and

3. Self-administered drugs for the treatment of cancer and diseases of the blood to be sent to the pharmacy of the patient's choosing consistent with § 38.2-3407.7.

B. As used in this section, "prescribed for the treatment of cancer or diseases of the blood" includes (i) any prescription drug or device prescribed and FDA-approved for the treatment of cancer or diseases of the blood and (ii) any supportive therapies to address or lessen adverse effects attendant to the administration of prescribed drugs, including to anti-emetics, antibiotics, and pain medications.

C. Nothing in this section shall prohibit an insurer, health maintenance organization, or pharmacy benefits manager from requiring prior authorization or compliance with a step-therapy protocol for an FDA-approved prescription drug.

D. Any payment to the pharmacy or treating provider consistent with this section shall be at the rate set forth in the health insurance issuer's agreement with the treating provider or pharmacy applicable to such drugs, or if no such rate is included in the agreement, then at the national average drug acquisition cost.

E. No insurer, health maintenance organization, or pharmacy benefits manager shall penalize, terminate, or otherwise retaliate against an in-network treating provider or pharmacy for exercising rights or providing services consistent with this section.

F. The requirements of this section shall apply to all insurance policies, contracts, and plans delivered, issued for delivery, reissued, renewed, or extended or at any time when any term of any such policy, contract, or plan is changed or any premium adjustment is made, on and after the effective date of this section. The provisions of this section shall not apply to short-term travel, accident only, or limited or specified disease policies or contracts, nor to policies or contracts designed for issuance to persons eligible for coverage under Title XVIII of the Social Security Act, known as Medicare, or any other similar coverage under state or federal governmental plans.

G. Nothing in this section shall be construed to prohibit a self-insured or self-funded employee welfare benefit plan subject to the Employee Retirement Income Security Act of 1974, P.L. 93-406, 88 Stat. 829, as amended, or any employer sponsoring such plan, from directing, encouraging, or incentivizing enrollees to utilize an onsite pharmacy benefit arrangement or mail order pharmacy, and including through benefit design, cost-sharing differentials, or limited network structure.

SENATE SUBSTITUTE

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