Dear Commissioner McCarty:

This letter shall memorialize the agreement and understanding between Humana Medical Plan, Inc. ("Humana") and the Office of Insurance Regulation ("the OIR") regarding an alleged violation of section 641.3007, Florida Statutes.

Humana denies any allegation that its classification of drugs unfairly discriminates or that its plans violate the Florida Insurance Code, Florida Statutes, or the Code of Federal Regulations. However, in order to resolve this matter in a timely manner, Humana and the OIR agree as follows:

1. Humana agrees to implement an interim measure during plan year 2015 to limit each Florida Qualified Health Plan (QHP) subscriber’s cost-sharing responsibility for all HIV/AIDS drugs on the Specialty Tier of Humana’s 2015 formulary to 10% of the “Cost” of the prescription drug. The “Cost” is Humana’s negotiated contract with a pharmacy based on the pharmaceutical manufacturer’s published wholesale acquisition cost for each prescription drug, plus any applicable pharmacy dispensing fee, and does not include any additional cost added by Humana or any of its affiliates. Humana asserts that the HIV/AIDS drugs for the federally facilitated marketplace product in Florida (“Exchange”) do not have rebates and will not be subject to rebates in 2015. Humana will make “Cost” information on these drugs available to the OIR throughout the plan year. In addition, Humana will move all drugs with a “Cost” to Humana of less than $600 to a tier lower than the specialty tier.


3. Humana agrees to meet with HIV/AIDS organizations and pharmaceutical manufacturers to discuss long term solutions to address affordability and accessibility to needed specialty drug therapies.

4. The OIR agrees that it will notify HHS by December 20, 2014, that Humana’s interim measure for plan year 2015 is sufficient to participate in the federally facilitated marketplace in Florida (“Exchange”) for the 2015 plan year. The Office makes no finding with respect to whether or not the classification of all HIV/AIDS medications in a specialty tier violates the Florida Insurance Code or the Code of Federal Regulations.

5. The OIR and Humana agree to work in good faith to conclude the outstanding market conduct exam in a manner that is as efficient and cost-effective as possible.

6. The OIR agrees to pend current market conduct examination requests and inquiries until
January 30, 2015. In the interim, OIR personnel will have an opportunity to review outstanding requests and company responses in person, including review of requested company emails.

Agreed and accepted this 15th day of December, 2014:

Steve DeRaleau
President, HumanaOne
For Humana

Kevin M. McCarty
Commissioner
For the Office of Insurance Regulation