

1-1 By: Smithee (Senate Sponsor - Seliger) H.B. No. 1227  
 1-2 (In the Senate - Received from the House April 10, 2017;  
 1-3 April 24, 2017, read first time and referred to Committee on  
 1-4 Business & Commerce; May 9, 2017, reported favorably by the  
 1-5 following vote: Yeas 5, Nays 0; May 9, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Hancock	X			
1-8 Creighton			X	
1-9 Campbell	X			
1-10 Estes	X			
1-11 Nichols	X			
1-12 Schwertner			X	
1-13 Taylor of Galveston			X	
1-14 Whitmire			X	
1-15 Zaffirini	X			

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to the transparency of certain information related to  
 1-20 prescription drug coverage provided by certain health benefit  
 1-21 plans.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Chapter 1369, Insurance Code, is amended by  
 1-24 adding Subchapter B-1 to read as follows:

1-25 SUBCHAPTER B-1. TRANSPARENCY REQUIREMENTS FOR CERTAIN INDIVIDUAL  
 1-26 HEALTH BENEFIT PLANS

1-27 Sec. 1369.076. DEFINITIONS. In this subchapter, terms  
 1-28 defined by Subchapter B have the meanings assigned by that  
 1-29 subchapter.

1-30 Sec. 1369.077. APPLICABILITY OF SUBCHAPTER. This  
 1-31 subchapter applies only to an individual health benefit plan to  
 1-32 which Subchapter B applies.

1-33 SECTION 2. Sections 1369.0542 through 1369.0544, Insurance  
 1-34 Code, are transferred to Subchapter B-1, Chapter 1369, Insurance  
 1-35 Code, as added by this Act, redesignated as Sections 1369.078  
 1-36 through 1369.080, Insurance Code, and amended to read as follows:

1-37 Sec. 1369.078 [1369.0542]. FORMULARY INFORMATION ON  
 1-38 INTERNET WEBSITE. (a) A health benefit plan issuer shall display  
 1-39 on a public Internet website maintained by the issuer formulary  
 1-40 information for each of the issuer's individual health benefit  
 1-41 plans as required by the commissioner by rule.

1-42 (b) A direct electronic link to the formulary information  
 1-43 must be displayed in a conspicuous manner in the electronic summary  
 1-44 of benefits and coverage of each individual health benefit plan  
 1-45 issued by the health benefit plan issuer on the health benefit plan  
 1-46 issuer's Internet website. The information must be publicly  
 1-47 accessible to enrollees, prospective enrollees, and others without  
 1-48 necessity of providing a password, a user name, or personally  
 1-49 identifiable information.

1-50 Sec. 1369.079 [1369.0543]. FORMULARY DISCLOSURE  
 1-51 REQUIREMENTS. (a) The commissioner shall develop and adopt by rule  
 1-52 requirements to promote consistency and clarity in the disclosure  
 1-53 of formularies to facilitate comparison shopping among individual  
 1-54 health benefit plans.

1-55 (b) The requirements adopted under Subsection (a) must  
 1-56 apply to each prescription drug:

1-57 (1) included in a formulary and dispensed in a network  
 1-58 pharmacy; or

1-59 (2) covered under an individual [a] health benefit  
 1-60 plan and typically administered by a physician or health care  
 1-61 provider.

2-1 (c) The formulary disclosures must:

2-2 (1) be electronically searchable by drug name;

2-3 (2) include for each drug the information required by

2-4 Subsection (d) in the order listed in that subsection; and

2-5 (3) indicate each formulary that applies to each

2-6 individual health benefit plan issued by the issuer.

2-7 (d) The formulary disclosures must include for each drug:

2-8 (1) the cost-sharing amount for each drug, including

2-9 as applicable:

2-10 (A) the dollar amount of a copayment; or

2-11 (B) for a drug subject to coinsurance:

2-12 (i) an enrollee's cost-sharing amount

2-13 stated in dollars; or

2-14 (ii) a cost-sharing range, denoted as

2-15 follows:

2-16 (a) under \$100 - \$;

2-17 (b) \$100-\$250 - \$\$;

2-18 (c) \$251-\$500 - \$\$\$;

2-19 (d) \$501-\$1,000 - \$\$\$\$; or

2-20 (e) over \$1,000 - \$\$\$\$\$;

2-21 (2) a disclosure of prior authorization, step therapy,

2-22 or other protocol requirements for each drug;

2-23 (3) if the individual health benefit plan uses a

2-24 tier-based formulary, the specific tier for each drug listed in the

2-25 formulary;

2-26 (4) a description of how prescription drugs will

2-27 specifically be included in or excluded from the deductible,

2-28 including a description of out-of-pocket costs for a prescription

2-29 drug that may not apply to the deductible;

2-30 (5) identification of preferred formulary drugs; and

2-31 (6) an explanation of coverage of each formulary drug.

2-32 (e) The commissioner by rule may allow an alternative method

2-33 of making disclosures required under Subsection (d)(1) relating to

2-34 cost-sharing through a web-based tool that must:

2-35 (1) be publicly accessible to enrollees, prospective

2-36 enrollees, and others without necessity of providing a password, a

2-37 user name, or personally identifiable information;

2-38 (2) allow consumers to electronically search

2-39 formulary information by the name under which the individual health

2-40 benefit plan is marketed; and

2-41 (3) be accessible through a direct link that is

2-42 displayed on each page of the formulary disclosure that lists each

2-43 drug as required under Subsection (c).

2-44 Sec. 1369.080 [~~1369.0544~~]. FORMULARY INFORMATION PROVIDED

2-45 BY TOLL-FREE TELEPHONE NUMBER. In addition to providing the

2-46 information described by Section 1369.079(d)(1) in the manner

2-47 required by Section 1369.079 [~~1369.0543(a)(1)~~], a health benefit

2-48 plan issuer may make the information available to enrollees,

2-49 prospective enrollees, and others through a toll-free telephone

2-50 number that operates at least during normal business hours.

2-51 SECTION 3. The changes in law made by this Act apply only to

2-52 a health benefit plan that is delivered, issued for delivery, or

2-53 renewed on or after September 1, 2017. A health benefit plan

2-54 delivered, issued for delivery, or renewed before September 1,

2-55 2017, is governed by the law as it existed immediately before the

2-56 effective date of this Act, and that law is continued in effect for

2-57 that purpose.

2-58 SECTION 4. This Act takes effect September 1, 2017.

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