

By: Schwertner

S.B. No. 1576

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the effect of certain reductions in a health benefit
3 plan enrollee's out-of-pocket expenses for certain prescription
4 drugs on enrollee cost-sharing requirements.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. The heading to Subchapter B, Chapter 1369,
7 Insurance Code, is amended to read as follows:

8 SUBCHAPTER B. REQUIREMENTS AFFECTING COVERAGE OF SPECIFIC
9 PRESCRIPTION DRUGS OR COST SHARING [~~SPECIFIED BY DRUG FORMULARY~~]

10 SECTION 2. Subchapter B, Chapter 1369, Insurance Code, is
11 amended by adding Section 1369.0542 to read as follows:

12 Sec. 1369.0542. EFFECT OF REDUCTIONS IN OUT-OF-POCKET
13 EXPENSES ON COST SHARING. (a) This section applies only to a
14 reduction in out-of-pocket expenses made by or on behalf of an
15 enrollee for a prescription drug for which:

16 (1) a generic equivalent does not exist;

17 (2) a generic equivalent does exist but the enrollee
18 has obtained access to the prescription drug under the enrollee's
19 health benefit plan using:

20 (A) a prior authorization process;

21 (B) a step therapy protocol; or

22 (C) the health benefit plan issuer's exceptions
23 and appeals process;

24 (3) an interchangeable biological product does not

1 exist; or

2 (4) an interchangeable biological product does exist
3 but the enrollee has obtained access to the prescription drug under
4 the enrollee's health benefit plan using:

5 (A) a prior authorization process;

6 (B) a step therapy protocol; or

7 (C) the health benefit plan issuer's exceptions
8 and appeals process.

9 (b) An issuer of a health benefit plan that covers
10 prescription drugs or a pharmacy benefit manager shall apply any
11 third-party payment, financial assistance, discount, product
12 voucher, or other reduction in out-of-pocket expenses made by or on
13 behalf of an enrollee for a prescription drug to the enrollee's
14 deductible, copayment, cost-sharing responsibility, or
15 out-of-pocket maximum applicable to health benefits under the
16 enrollee's plan.

17 SECTION 3. Section 1369.0542, Insurance Code, as added by
18 this Act, applies only to a health benefit plan that is delivered,
19 issued for delivery, or renewed on or after January 1, 2024. A
20 health benefit plan delivered, issued for delivery, or renewed
21 before January 1, 2024, is governed by the law as it existed
22 immediately before the effective date of this Act, and that law is
23 continued in effect for that purpose.

24 SECTION 4. This Act takes effect September 1, 2023.