

By: Talarico

H.B. No. 1464

A BILL TO BE ENTITLED

AN ACT

relating to a prescription drug purchasing pool for certain health benefit plan issuers and employers.

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

SECTION 1. Subtitle A, Title 6, Health and Safety Code, is amended by adding Chapter 446 to read as follows:

CHAPTER 446. PRESCRIPTION DRUG PURCHASING POOL

Sec. 446.001. DEFINITIONS. In this chapter:

(1) "Health benefit plan issuer" means an insurer, health maintenance organization, or other entity authorized to provide health benefits coverage under the laws of this state.

(2) "Participant" means a health benefit plan issuer, qualified public employer, or qualified private employer enrolled in the prescription drug purchasing pool.

(3) "Qualified private employer" means a self-insured private employer conducting business in this state.

(4) "Qualified public employer" means:

(A) a political subdivision of this state, including a county, municipality, or public school district;

(B) a university system or an institution of higher education, as those terms are defined by Section 61.003, Education Code; or

(C) a quasi-public agency.

Sec. 446.002. PRESCRIPTION DRUG PURCHASING POOL. (a) The

1 comptroller shall establish a prescription drug purchasing pool  
2 through which a participating health benefit plan issuer, qualified  
3 public employer, or qualified private employer may purchase  
4 prescription drugs for their employees, employees' dependents, and  
5 retirees from vendors at a discounted rate or under terms the  
6 comptroller negotiates.

7 (b) The prescription drug purchasing pool does not  
8 constitute a risk pool, and each health benefit plan issuer,  
9 qualified public employer, and qualified private employer  
10 participating in the pool is responsible for paying the cost of a  
11 claim or prescription drug in accordance with any applicable health  
12 benefit coverage agreement with their employees, employees'  
13 dependents, and retirees.

14 Sec. 446.003. ADMINISTRATION OF PRESCRIPTION DRUG  
15 PURCHASING POOL. The comptroller by rule shall establish  
16 procedures for administering the prescription drug purchasing  
17 pool, including procedures establishing:

18 (1) the eligibility criteria for a health benefit plan  
19 issuer, qualified public employer, or qualified private employer to  
20 participate in the pool;

21 (2) the manner by which a health benefit plan issuer,  
22 qualified public employer, or qualified private employer may enroll  
23 in the pool;

24 (3) the duration of eligibility for a health benefit  
25 plan issuer, qualified public employer, or qualified private  
26 employer to participate in the pool;

27 (4) the method by which a participant contributes

1 money to the pool; and

2 (5) the method for disenrolling a participant from the  
3 pool or terminating a participant's eligibility to participate in  
4 the pool.

5 Sec. 446.004. OPTIONAL STOP LOSS COVERAGE. The comptroller  
6 shall provide a participant the option to purchase stop loss  
7 coverage from an insurer at a rate the comptroller negotiates.

8 Sec. 446.005. MULTIPLE EMPLOYER PRESCRIPTION DRUG  
9 PURCHASING AGREEMENTS. (a) Two or more participants may jointly  
10 purchase through the prescription drug purchasing pool  
11 prescription drugs for their employees, employees' dependents, and  
12 retirees.

13 (b) An arrangement to jointly purchase prescription drugs  
14 under this section does not constitute a multiple employer welfare  
15 arrangement, as defined by Section 846.001, Insurance Code.

16 Sec. 446.006. RULES. The comptroller shall adopt rules as  
17 necessary to implement this chapter.

18 SECTION 2. As soon as practicable after the effective date  
19 of this Act, the comptroller of public accounts shall establish the  
20 prescription drug purchasing pool as required by Chapter 446,  
21 Health and Safety Code, as added by this Act.

22 SECTION 3. This Act takes effect September 1, 2025.