

AN ACT

relating to outpatient drug benefit coverage in certain health insurance policies and discount drug programs.

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

SECTION 1. Article 3.74, Insurance Code, is amended by adding Section 3B to read as follows:

Sec. 3B. OUTPATIENT PRESCRIPTION DRUG BENEFIT COVERAGE.

(a) An insurer or other entity described by Section 1(a) of this article that issues a Medicare supplement policy in this state may offer a group or individual policyholder:

(1) an outpatient prescription drug benefit plan authorized under 42 U.S.C. Section 1395ss; or

(2) a new or innovative outpatient prescription drug benefit plan filed with and approved by the commissioner under Section 2(b) of this article.

(b) The commissioner shall approve or disapprove an outpatient drug benefit plan described by Subsection (a) of this section that is filed for approval under Section 2(b) of this article not later than the 60th day after the date the insurer or other entity files the plan with the department. A drug benefit plan that has not been approved or disapproved by the commissioner before the 61st day after the date the plan is filed with the department is deemed approved on that day.

(c) An insurer or other entity described by Section 1(a) of

1 this article may offer participation in a prescription drug
2 discount program in connection with the solicitation of an
3 application for issuance of a Medicare supplement policy. For
4 purposes of this subsection, "prescription drug discount program"
5 means any program that entitles a participant to purchase
6 prescription drugs or other medical supplies and services from
7 vendors at a discount pursuant to an agreement made with a
8 participating pharmacy.

9 (d) An offer of participation in a prescription drug
10 discount program described by Subsection (c) is not a violation of
11 Section 21.21 of this code or any other law prohibiting the offer of
12 rebates in the solicitation of insurance policies.

13 SECTION 2. This Act takes effect September 1, 2003, and
14 applies only to a Medicare supplement policy that is delivered,
15 issued for delivery, or renewed on or after January 1, 2004, and to
16 an offer of participation in a prescription drug discount program
17 made on or after January 1, 2004. A Medicare supplement policy that
18 is delivered, issued for delivery, or renewed, or an offer of
19 participation made, before January 1, 2004, is governed by the law
20 as it existed immediately before the effective date of this Act, and
21 that law is continued in effect for that purpose.

H.B. No. 1268

President of the Senate

Speaker of the House

I certify that H.B. No. 1268 was passed by the House on April 30, 2003, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 1268 on May 30, 2003, by a non-record vote.

Chief Clerk of the House

I certify that H.B. No. 1268 was passed by the Senate, with amendments, on May 28, 2003, by a viva-voce vote.

Secretary of the Senate

APPROVED: _____

Date

Governor