

By: Seaman (Senate Sponsor - Carona) H.B. No. 1268
(In the Senate - Received from the House May 1, 2003;
May 6, 2003, read first time and referred to Committee on State
Affairs; May 23, 2003, reported favorably by the following vote:
Yeas 6, Nays 0; May 23, 2003, sent to printer.)

A BILL TO BE ENTITLED
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
this article may offer participation in a prescription drug
discount program in connection with the solicitation of an
application for issuance of a Medicare supplement policy. For
purposes of this subsection, "prescription drug discount program"
means any program that entitles a participant to purchase
prescription drugs or other medical supplies and services from
vendors at a discount under an agreement made between an insurer and
a participating pharmacy.

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

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

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