

By: Carona

S.B. No. 450

A BILL TO BE ENTITLED

AN ACT

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

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 must also offer the group or individual policyholder:

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

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

(3) a basic or extended outpatient prescription drug benefit plan prescribed by the commissioner.

(b) The group or individual policyholder may reject coverage required to be offered under this section.

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. A Medicare supplement policy that is delivered, issued for delivery, or renewed before January 1, 2004, is governed by the law as it

1 existed immediately before the effective date of this Act, and that
2 law is continued in effect for that purpose.