

1-1 By: Carona S.B. No. 450
1-2 (In the Senate - Filed February 11, 2003; February 17, 2003,
1-3 read first time and referred to Committee on State Affairs;
1-4 April 28, 2003, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 7, Nays 0; April 28, 2003,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 450 By: Armbrister

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to outpatient drug benefit coverage in certain health
1-11 insurance policies and discount drug programs.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Article 3.74, Insurance Code, is amended by
1-14 adding Section 3B to read as follows:

1-15 Sec. 3B. OUTPATIENT PRESCRIPTION DRUG BENEFIT COVERAGE.

1-16 (a) An insurer or other entity described by Section 1(a) of this
1-17 article that issues a Medicare supplement policy in this state may
1-18 offer a group or individual policyholder:

1-19 (1) an outpatient prescription drug benefit plan
1-20 authorized under 42 U.S.C. Section 1395ss; or

1-21 (2) a new or innovative outpatient prescription drug
1-22 benefit plan filed with and approved by the commissioner under
1-23 Section 2(b) of this article.

1-24 (b) The commissioner shall approve or disapprove an
1-25 outpatient drug benefit plan described by Subsection (a) of this
1-26 section that is filed for approval under Section 2(b) of this
1-27 article not later than the 60th day after the date the insurer or
1-28 other entity files the plan with the department. A drug benefit
1-29 plan that has not been approved or disapproved by the commissioner
1-30 before the 61st day after the date the plan is filed with the
1-31 department is deemed approved on that day.

1-32 (c) An insurer or other entity described by Section 1(a) of
1-33 this article may offer participation in a prescription drug
1-34 discount program in connection with the solicitation of an
1-35 application for issuance of a Medicare supplement policy. For
1-36 purposes of this subsection, "prescription drug discount program"
1-37 means any program that entitles a participant to purchase
1-38 prescription drugs or other medical supplies and services,
1-39 including hearing aids and eyeglasses, from vendors at a discount.

1-40 (d) An offer of participation in a prescription drug
1-41 discount program described by Subsection (c) is not a violation of
1-42 Article 21.21 of this code or any other law prohibiting the offer of
1-43 rebates in the solicitation of insurance policies.

1-44 SECTION 2. This Act takes effect September 1, 2003, and
1-45 applies only to a Medicare supplement policy that is delivered,
1-46 issued for delivery, or renewed on or after January 1, 2004, and to
1-47 an offer of participation in a prescription drug discount program
1-48 made on or after January 1, 2004. A Medicare supplement policy that
1-49 is delivered, issued for delivery, or renewed, or an offer of
1-50 participation made, before January 1, 2004, is governed by the law
1-51 as it existed immediately before the effective date of this Act, and
1-52 that law is continued in effect for that purpose.

1-53 * * * * *