

By: Janek

S.B. No. 1173

A BILL TO BE ENTITLED

AN ACT

1
2 relating to prescription drug benefits under the group health
3 benefit programs for certain governmental employees and retired
4 employees.

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

6 SECTION 1. Subchapter E, Chapter 1551, Insurance Code, as
7 effective June 1, 2003, is amended by adding Section 1551.218 to
8 read as follows:

9 Sec. 1551.218. PRIOR AUTHORIZATION FOR CERTAIN DRUGS.

10 (a) In this section, "drug formulary" means a list of drugs
11 preferred for use and eligible for coverage under a health benefit
12 plan.

13 (b) A health benefit plan provided under this chapter that
14 uses a drug formulary in providing a prescription drug benefit must
15 require prior authorization for coverage of the following
16 categories of prescribed drugs if the specific drug prescribed is
17 not included in the formulary:

18 (1) a gastrointestinal drug;

19 (2) a cholesterol-lowering drug;

20 (3) an anti-inflammatory drug;

21 (4) an antihistamine drug; and

22 (5) an antidepressant drug.

23 (c) Every six months the board of trustees shall submit to
24 the comptroller and Legislative Budget Board a report regarding any

1 cost savings achieved in the group benefits program through
2 implementation of the prior authorization requirement of this
3 section. A report must cover the previous six-month period.

4 SECTION 2. Subchapter D, Chapter 1575, Insurance Code, as
5 effective June 1, 2003, is amended by adding Section 1575.161 to
6 read as follows:

7 Sec. 1575.161. PRIOR AUTHORIZATION FOR CERTAIN DRUGS.

8 (a) In this section, "drug formulary" means a list of drugs
9 preferred for use and eligible for coverage under a health benefit
10 plan.

11 (b) A health benefit plan provided under this chapter that
12 uses a drug formulary in providing a prescription drug benefit must
13 require prior authorization for coverage of the following
14 categories of prescribed drugs if the specific drug prescribed is
15 not included in the formulary:

- 16 (1) a gastrointestinal drug;
- 17 (2) a cholesterol-lowering drug;
- 18 (3) an anti-inflammatory drug;
- 19 (4) an antihistamine; and
- 20 (5) an antidepressant drug.

21 (c) Every six months the board of trustees shall submit to
22 the comptroller and Legislative Budget Board a report regarding any
23 cost savings achieved in the group program through implementation
24 of the prior authorization requirement of this section. A report
25 must cover the previous six-month period.

26 SECTION 3. Subchapter E, Chapter 3, Insurance Code, is
27 amended by adding Article 3.50-7A to read as follows:

1 Art. 3.50-7A. PRIOR AUTHORIZATION FOR CERTAIN DRUGS
2 PROVIDED UNDER TEXAS SCHOOL EMPLOYEES UNIFORM GROUP COVERAGE
3 PROGRAM. (a) In this article, "drug formulary" means a list of
4 drugs preferred for use and eligible for coverage by a health
5 coverage plan.

6 (b) A health coverage plan provided under the uniform group
7 coverage program established under Article 3.50-7 of this code that
8 uses a drug formulary in providing a prescription drug benefit must
9 require prior authorization for coverage of the following
10 categories of prescribed drugs if the specific drug prescribed is
11 not included in the formulary:

- 12 (1) a gastrointestinal drug;
- 13 (2) a cholesterol-lowering drug;
- 14 (3) an anti-inflammatory drug;
- 15 (4) an antihistamine drug; and
- 16 (5) an antidepressant drug.

17 (c) Every six months the Teacher Retirement System of Texas
18 shall submit to the comptroller and Legislative Budget Board a
19 report regarding any cost savings achieved in the uniform group
20 coverage program through implementation of the prior authorization
21 requirement of this article. A report must cover the previous
22 six-month period.

23 SECTION 4. The initial reports required by Subsection (c),
24 Section 1551.218, and Subsection (c), Section 1575.161, Insurance
25 Code, and Subsection (c), Article 3.50-7A, Insurance Code, as added
26 by this Act, are due September 1, 2005.

27 SECTION 5. This Act takes effect September 1, 2003, and

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1 applies to health benefit plans provided under Chapters 1551 and
2 1575, Insurance Code, as effective June 1, 2003, and health
3 coverage plans subject to Article 3.50-7A, Insurance Code, as added
4 by this Act, beginning with the 2004-2005 plan year.