

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

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

17 (1) a gastrointestinal drug;

18 (2) a cholesterol-lowering drug;

19 (3) an anti-inflammatory drug;

20 (4) an antihistamine drug; and

21 (5) an antidepressant drug.

22 (c) Every six months the board of trustees shall submit to
23 the comptroller and Legislative Budget Board a report regarding any
24 cost savings achieved in the program through implementation of the

1 prior authorization requirement of this section. A report must
2 cover the previous six-month period.

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

6 Sec. 1575.161. PRIOR AUTHORIZATION FOR CERTAIN DRUGS. (a)
7 In this section, "drug formulary" means a list of drugs preferred
8 for use and eligible for coverage under a health benefit plan.

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

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

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

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

26 Art. 3.50-7A. PRIOR AUTHORIZATION FOR CERTAIN DRUGS
27 PROVIDED UNDER TEXAS SCHOOL EMPLOYEES UNIFORM GROUP COVERAGE

1 PROGRAM. (a) In this article, "drug formulary" means a list of
2 drugs preferred for use and eligible for coverage by a health
3 coverage plan.

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

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

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

21 SECTION 4. The initial reports required by Sections
22 1551.218(c) and 1575.161(c), Insurance Code, and Subsection (c),
23 Article 3.50-7A, Insurance Code, as added by this Act, are due
24 September 1, 2005.

25 SECTION 5. This Act takes effect September 1, 2003, and
26 applies to health benefit plans provided under Chapters 1551 and
27 1575, Insurance Code, as effective June 1, 2003, and health

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1 coverage plans subject to Article 3.50-7A, Insurance Code, as added
2 by this Act, beginning with the 2004-2005 plan year.