BILL ANALYSIS

Senate Research Center

H.B. 1759
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State Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Intravenously administered anticancer medications are typically covered under a health benefit plan's medical benefit and are usually an 80:20 out-of-pocket expense for the patient. Orally administered anticancer medications, on the other hand, are typically covered under a plan's pharmacy benefit, where many of these agents are placed in a fourth or "specialty" tier of a prescription plan's formulary. For specialty medications such as fourth tier oral oncology therapies, patients are generally responsible for high out-of-pocket costs, in some instances a $250 out-of-pocket expense every 30 days or a percentage of the cost of the oral oncology medication. The purpose of this legislation is to ensure equity of health coverage, specifically patient out-of-pocket responsibilities for anticancer agents, regardless of formulation and benefit category determination.

H.B. 1759 requires a health benefit plan that provides coverage for cancer chemotherapy treatment to provide coverage for a prescribed, orally administered anticancer medication on a basis no less favorable than intravenously administered or injected cancer medications that are covered as medical benefits by a plan.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 1369, Insurance Code, by adding Subchapter E, as follows:

SUBCHAPTER E. COVERAGE FOR CERTAIN ORALLY ADMINISTERED ANTICANCER MEDICATIONS

Sec. 1369.201. DEFINITION. Defines "enrollee."

Sec. 1369.202. APPLICABILITY OF SUBCHAPTER. (a) Provides that this subchapter applies only to a health benefit plan, including a small employer health benefit plan written under Chapter 1501 (Health Insurance Portability and Availability Act) or coverage provided by a health group cooperative under Subchapter B of that chapter, that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness, including an individual, group, blanket, or franchise insurance policy or insurance agreement, a group hospital service contract, or an individual or group evidence of coverage or similar coverage document that is offered by an insurance company; a group hospital service corporation operating under Chapter 842 (Group Hospital Service Corporations); a fraternal benefit society operating under Chapter 885 (Fraternal Benefit Societies); a stipulated premium company operating under Chapter 884 (Stipulated Premium Insurance Companies); an exchange operating under Chapter 942 (Reciprocal and Interinsurance Exchanges); a Lloyd's plan operating under Chapter 941 (Lloyd's Plan); a health maintenance organization operating under Chapter 843 (Health Maintenance Organizations); a multiple employer welfare arrangement that holds a certificate of authority under Chapter 846 (Multiple Employer Welfare Arrangements); or an approved nonprofit health corporation that holds a certificate of authority under Chapter 844 (Certification of Certain Nonprofit Health Corporations).

(b) Provides that, notwithstanding any provision in Chapter 1551 (Texas Employees Group Benefits Act), 1575 (Texas Public School Employees Group Benefits Program), 1579 (Texas School Employees Uniform Group Health Coverage), or 1601 (The State University Employees Uniform Insurance Benefits Act) or any other law, this subchapter applies to certain basic and primary care coverage plans.

(c) Requires that a standard health benefit plan provided under Chapter 1507 (Consumer Choice of Benefit Plans), notwithstanding any other law, provide the coverage required by this subchapter.

Sec. 1369.203. EXCEPTION. Provides that this subchapter does not apply to a plan that provides coverage only for fixed indemnity benefits for a specified disease or diseases, only for accidental death or dismemberment, for wages or payments in lieu of wages for a period during which an employee is absent from work because of sickness or injury, as a supplement to a liability insurance policy, only for dental or vision care; or only for indemnity for hospital confinement; a Medicare supplemental policy as defined by Section 1882(g)(1), Social Security Act (42 U.S.C. Section 1395ss); a workers' compensation insurance policy; medical payment insurance coverage provided under an automobile insurance policy; a credit insurance policy; a limited benefit policy that does not provide coverage for physical examinations or wellness exams; or a long-term care insurance policy, including a nursing home fixed indemnity policy, unless the commissioner of insurance determines that the policy provides benefit coverage so comprehensive that the policy is a health plan as described by Section 1369.202.

Sec. 1369.204. REQUIRED COVERAGE FOR CERTAIN ORALLY ADMINISTERED ANTICANCER MEDICATIONS. Requires a health benefit plan that provides coverage for chemotherapy treatment of cancer to provide coverage for a prescribed, orally administered anticancer medication that is used to kill or slow the growth of cancerous cells on a basis no less favorable than intravenously administered or injected cancer medications that are covered as medical benefits by the plan.

SECTION 2. Makes application of Subchapter E, Chapter 1369, Insurance Code, as added by this Act, prospective to January 1, 2010.

SECTION 3. Effective date: September 1, 2009.