

## **BILL ANALYSIS**

C.S.H.B. 4402  
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Insurance  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Continuity of care safeguards promote the quality of health care and improve health outcomes by encouraging medication compliance and protecting patients from ill-advised medication switches. These safeguards also protect patients who are taking prescription medication by ensuring that any change in medication is prompted by medical considerations, rather than new coverage restrictions.

C.S.H.B. 4402 requires the Texas Department of Insurance to conduct a study to evaluate the ways in which pharmacy benefit managers use prescription drug information.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 4402 adds a temporary provision to the Insurance Code, set to expire September 1, 2010, to require the Texas Department of Insurance to conduct a study to evaluate the ways in which pharmacy benefit managers use prescription drug information to manage therapeutic drug interchange programs and other drug substitution recommendations made by pharmacy benefit managers or other similar entities. The bill requires the study to include information regarding pharmacy benefit managers intervening in the delivery or transmission of a prescription from a prescribing health care practitioner to a pharmacist for purposes of influencing the prescribing health care practitioner's choice of therapy; recommending that a prescribing health care practitioner change from the originally prescribed medication to another medication, including generic substitutions and therapeutic interchanges; changing a drug or device prescribed by a health care practitioner without the consent of the prescribing health care practitioner; changing a patient cost-sharing obligation for the cost of a prescription drug or device, including placing a drug or device on a higher formulary tier than the initial contracted benefit level; and removing a drug or device from a group health benefit plan formulary without providing proper enrollee notice.

C.S.H.B. 4402 requires the department, not later than August 1, 2010, to submit to the governor, the lieutenant governor, the speaker of the house of representatives, and the appropriate standing committees of the legislature a report regarding the results of the study together with any recommendations for legislation.

### **EFFECTIVE DATE**

September 1, 2009.

## **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 4402 differs from the original by removing provisions in the original prohibiting an issuer of a health benefit plan that covers prescription drugs from limiting, reducing, or denying coverage for a prescription drug to an enrollee using that drug under certain conditions. The substitute adds provisions not in the original requiring the Texas Department of Insurance to conduct a study to evaluate the ways in which pharmacy benefit managers use prescription drug information for certain purposes, and adds provisions setting forth information the study is required to provide.