

By: Deuell

S.B. No. 2423

A BILL TO BE ENTITLED

AN ACT

relating to the transfer or sale of patient information or prescription drug history by discount health care programs.

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

SECTION 1. Subdivisions (3) and (4), Section 76.001, Health and Safety Code, are amended to read as follows:

(3) "Discount health care program" means a business arrangement or contract in which an entity, in exchange for fees, dues, charges, or other consideration, offers its members access to discounts on health care services provided by health care providers. The term does not include an insurance policy, certificate of coverage, or other product regulated by the Texas Department of Insurance or a self-funded or self-insured employee benefit plan. For purposes of this subsection, consideration includes patient information or patient prescription drug history provided by members, if the entity engages in the transfer or sale of such patient information, patient prescription drug history, or drug manufacturer rebates.

(4) "Discount health care program operator" means a person who, in exchange for fees, dues, charges, or other consideration, operates a discount health care program and contracts with providers, provider networks, or other discount health care program operators to offer access to health care services at a discount and determines the charge to members. For

1 purposes of this subsection, consideration includes patient
2 information or patient prescription drug history provided by
3 members, if the person engages in the transfer or sale of such
4 patient information, patient prescription drug history, or drug
5 manufacturer rebates.

6 SECTION 2. Section 76.053, Health and Safety Code, is
7 amended by adding Subsection (a-1) and amending Subsection (b) to
8 read as follows:

9 (a-1) If a program operator engages in the transfer or sale
10 of a member's patient information or patient prescription drug
11 history, the program operator shall, before enrollment, provide
12 each prospective member disclosure materials describing the
13 program operator's practices regarding such transfer or sale.

14 (b) A marketer shall use disclosure materials that comply
15 with this section [~~Subsection (a)~~].

16 SECTION 3. This Act takes effect September 1, 2009.