

SENATE AMENDMENTS

2nd Printing

By: Shelton, Hopson, Hunter, Zerwas

H.B. No. 1138

A BILL TO BE ENTITLED

1 AN ACT

2 relating to information required on pharmacy benefit cards.

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

4 SECTION 1. Section 1369.151, Insurance Code, is amended to
5 read as follows:

6 Sec. 1369.151. APPLICABILITY OF SUBCHAPTER. (a) This
7 subchapter applies only to a health benefit plan that provides
8 benefits for medical or surgical expenses incurred as a result of a
9 health condition, accident, or sickness, including an individual,
10 group, blanket, or franchise insurance policy or insurance
11 agreement, a group hospital service contract, or an individual or
12 group evidence of coverage or similar coverage document that is
13 offered by:

14 (1) an insurance company;

15 (2) a group hospital service corporation operating
16 under Chapter 842;

17 (3) a fraternal benefit society operating under
18 Chapter 885;

19 (4) a stipulated premium company operating under
20 Chapter 884;

21 (5) a reciprocal exchange operating under Chapter 942;

22 (6) a health maintenance organization operating under
23 Chapter 843;

24 (7) a multiple employer welfare arrangement that holds

1 a certificate of authority under Chapter 846; or

2 (8) an approved nonprofit health corporation that
3 holds a certificate of authority under Chapter 844.

4 (b) Notwithstanding any other law, this subchapter applies
5 to coverage under:

6 (1) the basic coverage plan under Chapter 1551;

7 (2) the basic plan under Chapter 1575;

8 (3) the primary care coverage plan under Chapter 1579;

9 (4) the basic coverage plan under Chapter 1601;

10 (5) the child health plan program under Chapter 62,
11 Health and Safety Code; and

12 (6) the medical assistance program under Chapter 32,
13 Human Resources Code.

14 SECTION 2. Section 1369.153, Insurance Code, is amended to
15 read as follows:

16 Sec. 1369.153. INFORMATION REQUIRED ON IDENTIFICATION
17 CARD. (a) An issuer of a health benefit plan that provides
18 pharmacy benefits to enrollees shall include on the front of the
19 identification card of each enrollee:

20 (1) the name [~~or logo~~] of the entity administering the
21 pharmacy benefits if the entity is different from the health
22 benefit plan issuer;

23 (2) the group number applicable to the enrollee;

24 (3) the identification number of the enrollee, which
25 may not be the enrollee's social security number;

26 (4) the bank identification number necessary for
27 electronic billing;

1 (5) [~~3~~] the effective date of the coverage evidenced
2 by the card; and

3 (6) [~~4~~] ~~a telephone number for contacting an~~
4 ~~appropriate person to obtain information relating to the pharmacy~~
5 ~~benefits provided under the plan; and~~

6 [~~5~~] copayment information for generic and
7 brand-name prescription drugs.

8 (b) In addition to the information required under
9 Subsection (a), the issuer of a health benefit plan shall include on
10 the identification card of each enrollee:

11 (1) the logo of the entity administering the pharmacy
12 benefits if the entity is different from the health benefit plan
13 issuer; and

14 (2) a telephone number for contacting an appropriate
15 person to obtain information relating to the pharmacy benefits
16 provided under the plan.

17 (c) In addition to complying with Subsections (a) and (b),
18 an issuer of a health benefit plan may provide the information
19 required under Subsections (a) and (b) in electronically readable
20 form on the back of the identification card.

21 (d) This section does not require a health benefit plan
22 issuer that administers its own pharmacy benefits to issue an
23 identification card separate from any identification card issued to
24 an enrollee to evidence coverage under the plan if the
25 identification card issued to evidence coverage contains the
26 information required by Subsections [~~Subsection~~] (a) and (b).

27 SECTION 3. This Act applies only to an insurance policy or

1 contract or evidence of coverage that is delivered, issued for
2 delivery, or renewed on or after January 1, 2010. An insurance
3 policy or contract or evidence of coverage delivered, issued for
4 delivery, or renewed before January 1, 2010, is governed by the law
5 as it existed immediately before the effective date of this Act, and
6 that law is continued in effect for that purpose.

7 SECTION 4. This Act takes effect September 1, 2009.

ADOPTED

MAY 26 2009

Aditya Chaw
Secretary of the Senate

COMMITTEE AMENDMENT NO. 1

BY: 

1 Amend H.B. 1138 (house engrossed version) between SECTION 2
2 and SECTION 3 of the bill (page ^{chg. at printing} 3, between lines ^{chg. at printing} 26 and 27), by
3 inserting the following new SECTION 3, and renumbering the
4 following SECTIONS accordingly:

5 SECTION 3. Section 1369.154, Insurance Code, is amended to
6 read as follows:

7 Sec. 1369.154. RULES. (a) The commissioner shall adopt
8 rules as necessary to implement this subchapter.

9 (b) Rules adopted by the commissioner must be consistent
10 with national standards established by the Workgroup for
11 Electronic Data Interchange or by other similar organizations
12 recognized by the commissioner.

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LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 27, 2009

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1138 by Shelton (relating to information required on pharmacy benefit cards.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would require certain healthcare plans to print additional information on the front of pharmacy benefit identification cards, if it is not currently on the front of the card. The additional information would include: the name of the entity administering the pharmacy benefits if the entity is different from the health benefit plan issuer; the group number applicable to the enrollee; an identification number for the enrollee, which may not be the enrollee's social security number; the bank identification number necessary for electronic billing; the effective date of the coverage evidenced by the card; and copayment information for generic and brand name prescription drugs. In addition, the issuer of a health benefit plan shall include on the identification card the logo of the entity administering the pharmacy benefits if the entity is different from the health benefit plan issuer, and the telephone number for contacting an appropriate person to obtain information relating to the pharmacy benefits provided under the plan. Finally, an issuer of a health benefit plan may provide the required information in electronically readable form on the back of the identification card. The bill would be effective September 1, 2009 and would apply to coverage issued or renewed after on or after January 1, 2010.

Both The University of Texas System and The Texas A&M University System report that the bill's provisions would not result in a significant fiscal impact to the systems. The Health and Human Services Commission reports that the bill would not have a fiscal impact on the Commission because neither the Medicaid nor the Children's Health Insurance Program (CHIP) managed care organizations provide pharmacy benefits. Thus, the bill's provisions would not apply to Medicaid and CHIP.

The Employees Retirement System (ERS) reports that it projects having to re-issue identification cards in both fiscal year 2010 and 2011 due to changing prescription drug copayments, resulting in an approximate cost of \$270,000 each year new cards have to be reproduced. It is assumed that these costs can be absorbed by the agency with current resources. The Teacher Retirement System (TRS) reports that the provisions of the bill would require TRS to issue new cards with the required information. The projected cost for the issuance of new cards to current enrollees of TRS-Care is approximately \$205,000, and it is assumed that the agency can absorb these costs with current resources. The TRS-ActiveCare plan is self-funded, so the cost of issuing new identification cards would have no fiscal impact on the state.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 529 Health and Human Services Commission, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

LBB Staff: JOB, MN, KJG, DEH

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 19, 2009

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1138 by Shelton (Relating to information required on pharmacy benefit cards.),
Committee Report 2nd House, As Amended

No significant fiscal implication to the State is anticipated.

The bill would require certain healthcare plans to print additional information on the front of pharmacy benefit identification cards, if it is not currently on the front of the card. The additional information would include: the name of the entity administering the pharmacy benefits if the entity is different from the health benefit plan issuer; the group number applicable to the enrollee; an identification number for the enrollee, which may not be the enrollee's social security number; the bank identification number necessary for electronic billing; the effective date of the coverage evidenced by the card; and copayment information for generic and brand name prescription drugs. In addition, the issuer of a health benefit plan shall include on the identification card the logo of the entity administering the pharmacy benefits if the entity is different from the health benefit plan issuer, and the telephone number for contacting an appropriate person to obtain information relating to the pharmacy benefits provided under the plan. Finally, an issuer of a health benefit plan may provide the required information in electronically readable form on the back of the identification card. The bill would be effective September 1, 2009 and would apply to coverage issued or renewed after on or after January 1, 2010.

Both The University of Texas System and The Texas A&M University System report that the bill's provisions would not result in a significant fiscal impact to the systems. The Health and Human Services Commission reports that the bill would not have a fiscal impact on the Commission because neither the Medicaid nor the Children's Health Insurance Program (CHIP) managed care organizations provide pharmacy benefits. Thus, the bill's provisions would not apply to Medicaid and CHIP.

The Employees Retirement System (ERS) reports that it projects having to re-issue identification cards in both fiscal year 2010 and 2011 due to changing prescription drug copayments, resulting in an approximate cost of \$270,000 each year new cards have to be reproduced. It is assumed that these costs can be absorbed by the agency with current resources. The Teacher Retirement System (TRS) reports that the provisions of the bill would require TRS to issue new cards with the required information. The projected cost for the issuance of new cards to current enrollees of TRS-Care is approximately \$205,000, and it is assumed that the agency can absorb these costs with current resources. The TRS-ActiveCare plan is self-funded, so the cost of issuing new identification cards would have no fiscal impact on the state.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 529 Health and Human Services Commission, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

LBB Staff: JOB, KJG, DEH

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 15, 2009

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1138 by Shelton (Relating to information required on pharmacy benefit cards.), As
Engrossed

No significant fiscal implication to the State is anticipated.

The bill would require certain healthcare plans to print additional information on the front of pharmacy benefit identification cards, if it is not currently on the front of the card. The additional information would include: the name of the entity administering the pharmacy benefits if the entity is different from the health benefit plan issuer; the group number applicable to the enrollee; an identification number for the enrollee, which may not be the enrollee's social security number; the bank identification number necessary for electronic billing; the effective date of the coverage evidenced by the card; and copayment information for generic and brand name prescription drugs. In addition, the issuer of a health benefit plan shall include on the identification card the logo of the entity administering the pharmacy benefits if the entity is different from the health benefit plan issuer, and the telephone number for contacting an appropriate person to obtain information relating to the pharmacy benefits provided under the plan. Finally, an issuer of a health benefit plan may provide the required information in electronically readable form on the back of the identification card. The bill would be effective September 1, 2009 and would apply to coverage issued or renewed after on or after January 1, 2010.

Both The University of Texas System and The Texas A&M University System report that the bill's provisions would not result in a significant fiscal impact to the systems. The Health and Human Services Commission reports that the bill would not have a fiscal impact on the Commission because neither the Medicaid nor the Children's Health Insurance Program (CHIP) managed care organizations provide pharmacy benefits. Thus, the bill's provisions would not apply to Medicaid and CHIP.

The Employees Retirement System (ERS) reports that it projects having to re-issue identification cards in both fiscal year 2010 and 2011 due to changing prescription drug copayments, resulting in an approximate cost of \$270,000 each year new cards have to be reproduced. It is assumed that these costs can be absorbed by the agency with current resources. The Teacher Retirement System (TRS) reports that the provisions of the bill would require TRS to issue new cards with the required information. The projected cost for the issuance of new cards to current enrollees of TRS-Care is approximately \$205,000, and it is assumed that the agency can absorb these costs with current resources. The TRS-ActiveCare plan is self-funded, so the cost of issuing new identification cards would have no fiscal impact on the state.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 529 Health and Human Services Commission, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

LBB Staff: JOB, KJG, DEH

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 24, 2009

TO: Honorable John T. Smithee, Chair, House Committee on Insurance

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1138 by Shelton (Relating to information required on pharmacy benefit cards.),
Committee Report 1st House, Substituted

No significant fiscal implication to the State is anticipated.

The bill would require certain healthcare plans to print additional information on the front of pharmacy benefit identification cards, if it is not currently on the front of the card. The additional information would include: the name of the entity administering the pharmacy benefits if the entity is different from the health benefit plan issuer; the group number applicable to the enrollee; an identification number for the enrollee, which may not be the enrollee's social security number; the bank identification number necessary for electronic billing; the effective date of the coverage evidenced by the card; and copayment information for generic and brand name prescription drugs. In addition, the issuer of a health benefit plan shall include on the identification card the logo of the entity administering the pharmacy benefits if the entity is different from the health benefit plan issuer, and the telephone number for contacting an appropriate person to obtain information relating to the pharmacy benefits provided under the plan. Finally, an issuer of a health benefit plan may provide the required information in electronically readable form on the back of the identification card. The bill would be effective September 1, 2009 and would apply to coverage issued or renewed after on or after January 1, 2010.

Both The University of Texas System and The Texas A&M University System report that the bill's provisions would not result in a significant fiscal impact to the systems. The Health and Human Services Commission reports that the bill would not have a fiscal impact on the Commission because neither the Medicaid nor the Children's Health Insurance Program (CHIP) managed care organizations provide pharmacy benefits. Thus, the bill's provisions would not apply to Medicaid and CHIP.

The Employees Retirement System (ERS) reports that it projects having to re-issue identification cards in both fiscal year 2010 and 2011 due to changing prescription drug copayments, resulting in an approximate cost of \$270,000 each year new cards have to be reproduced. It is assumed that these costs can be absorbed by the agency with current resources. The Teacher Retirement System (TRS) reports that the provisions of the bill would require TRS to issue new cards with the required information. The projected cost for the issuance of new cards to current enrollees of TRS-Care is approximately \$205,000, and it is assumed that the agency can absorb these costs with current resources. The TRS-ActiveCare plan is self-funded, so the cost of issuing new identification cards would have no fiscal impact on the state.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 529 Health and Human Services Commission, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

LBB Staff: JOB, KJG, DEH

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

February 28, 2009

TO: Honorable John T. Smithee, Chair, House Committee on Insurance

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1138 by Shelton (Relating to information required on pharmacy benefit identification cards.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Section 1369.153 of the Insurance Code to require prescription drug identification cards to include the following information on the front of the cards: an identification number for the enrollee other than his or her social security number, the bank identification number necessary for electronic billing, and the expected expiration date of coverage.

The bill does not impact the Employees Retirement System because it does not include Chapter 1551 of the Insurance Code. The bill does not impact the University of Texas System or the Texas A&M System because it does not include Chapter 1601 of the Insurance Code.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System, 454 Department of Insurance, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

LBB Staff: JOB, MS, DEH, TP

