

By: Smithee, Hardcastle, Eiland, Nash

H.B. No. 1253

A BILL TO BE ENTITLED

AN ACT

relating to certain modifications of a health benefit plan.

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

SECTION 1. Subchapter B, Chapter 1369, Insurance Code, is amended by adding Section 1369.0541 to read as follows:

Sec. 1369.0541. MODIFICATION OF DRUG COVERAGE UNDER PLAN.

(a) In addition to applying to a group health benefit plan to which this subchapter applies, this section applies to an individual health benefit plan, as defined by Section 544.501.

(b) Notwithstanding Section 1369.053, this section applies to a small employer health benefit plan written under Chapter 1501.

(c) A group or individual health benefit plan issuer may modify drug coverage provided under a health benefit plan if:

(1) the modification occurs at the time of coverage renewal;

(2) the modification is effective uniformly among all group health benefit plan sponsors covered by identical or substantially identical health benefit plans or all individuals covered by identical or substantially identical individual health benefit plans, as applicable; and

(3) not later than the 60th day before the date the modification is effective, the issuer provides written notice of the modification to the commissioner, each affected group health benefit plan sponsor, each affected enrollee in an affected group



1 health benefit plan, and each affected individual health benefit  
2 plan holder.

3 (d) Modifications affecting drug coverage that require  
4 notice under Subsection (c) include:

5 (1) removing a drug from a formulary;

6 (2) adding a requirement that an enrollee receive  
7 prior authorization for a drug;

8 (3) imposing or altering a quantity limit for a drug;

9 (4) imposing a step-therapy restriction for a drug;

10 and

11 (5) moving a drug to a higher cost-sharing tier unless  
12 a generic drug alternative to the drug is available.

13 (e) A group or individual health benefit plan issuer may  
14 elect to offer an enrollee in the plan the option of receiving  
15 notifications required by this section by e-mail.

16 SECTION 2. Section 1501.108(d), Insurance Code, is amended  
17 to read as follows:

18 (d) Notwithstanding Subsection (a), a small or large  
19 employer health benefit plan issuer may modify a small or large  
20 employer health benefit plan in accordance with Section 1369.0541  
21 or if:

22 (1) the modification occurs at the time of coverage  
23 renewal;

24 (2) the modification is effective uniformly among all  
25 small or large employers covered by that health benefit plan; and

26 (3) the issuer notifies the commissioner and each  
27 affected covered small or large employer of the modification not



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1 later than the 60th day before the date the modification is  
2 effective.

3 SECTION 3. This Act takes effect September 1, 2011.