

By: Hinojosa

S.B. No. 478

A BILL TO BE ENTITLED

AN ACT

relating to certain rebates and incentives for the purchase of certain drugs; providing civil penalties.

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

SECTION 1. Subchapter A, Chapter 1369, Insurance Code, is amended by adding Section 1369.006 to read as follows:

Sec. 1369.006. REBATES AND INCENTIVES PROHIBITED; PENALTIES. (a) A person that manufactures a drug that is or may be covered by a health benefit plan subject to this subchapter may not offer or provide consideration, including a discount, rebate, or product voucher, to reduce, directly or indirectly, a covered person's out-of-pocket expense for the order, dispensing, substitution, sale, or purchase of the drug.

(b) A person who intentionally, knowingly, or recklessly violates Subsection (a) is liable for a civil penalty, recoverable by a civil action brought by the attorney general, in an amount not to exceed \$10,000 for each violation.

(c) A civil penalty authorized by this section is in addition to any other civil, administrative, or criminal remedy provided by law.

SECTION 2. (a) The change in law made by this Act applies only to a violation committed on or after the effective date of this Act. For purposes of this section, a violation is committed before the effective date of this Act if any element of the violation

1 occurs before that date.

2 (b) A violation committed before the effective date of this
3 Act is covered by the law in effect immediately before the effective
4 date of this Act, and the former law is continued in effect for that
5 purpose.

6 SECTION 3. This Act takes effect September 1, 2013.