BILL ANALYSIS

C.S.H.B. 1624
By: Smithee
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties assert that health insurance providers do not post complete or easily accessible prescription drug formularies online. The parties note that there is often no information about cost-sharing for prescription drugs under the plan available for shoppers until after a plan is purchased and express concern that the frequency with which health insurance providers update their provider directories can sometimes lead to the information being inaccurate or outdated. C.S.H.B. 1624 seeks to address these issues.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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. 1624 amends the Insurance Code to require a health benefit plan issuer to display formulary information on a public website maintained by the issuer as required by the commissioner of insurance by rule. The bill requires a direct electronic link to the formulary information to be displayed in a conspicuous manner in the electronic summary of benefits and coverage of each health benefit plan issued by the health benefit plan issuer on the health benefit plan issuer's website and requires the information to be publicly accessible to enrollees, prospective enrollees, and others without necessity of providing a password, user name, or personally identifiable information.

C.S.H.B. 1624 requires the Texas Department of Insurance (TDI) to develop a template that all health benefit plan issuers must use to display formulary information. The bill requires the commissioner to ensure that the template is available for initial use not later than January 1, 2016. The bill requires the commissioner to appoint a committee to advise TDI on the development of the template, which must be electronically searchable by drug name and include the following: for each prescription drug included in the formulary that is subject to coinsurance and dispensed at an in-network pharmacy, each enrollee's cost-sharing amount or a cost-sharing range denoted as specified in the bill's provisions; a disclosure of prior authorization, step therapy, or other protocol requirements for each drug; the specific tier for each drug listed in the formulary and the specific copayments for each tier as set out in the evidence of coverage, if the health benefit plan uses a tier-based formulary; for prescription drugs covered under the health benefit plan and typically administered by a provider, any cost sharing for each drug; a description of how prescription drugs will specifically be included in or excluded from the deductible, including a description of out-of-pocket costs for a prescription drug that may not

apply to the deductible; identification of preferred formulary drugs; an explanation of coverage of each formulary drug; and an indication of each formulary that applies to each health benefit plan issued by the issuer.

C.S.H.B. 1624 requires the advisory committee to be composed of an equal number of members from each of the following groups of stakeholders: physicians, health care providers other than physicians, consumers, and health benefit plan issuers. The bill authorizes a health benefit plan issuer, in addition to providing the required cost-sharing information for each prescription drug covered under the health benefit plan, to make the information available to enrollees, prospective enrollees, and others through a toll-free telephone number that operates at least during normal business hours.

C.S.H.B. 1624 requires a health benefit plan issuer that offers coverage for health care services through preferred providers, exclusive providers, or a network of physicians or health care providers to develop and maintain a physician and health care provider directory that includes the name, street address, and telephone number of each physician and health care provider and indicates whether the physician or provider is accepting new patients. The bill requires a health benefit plan issuer to display the directory on a public website maintained by the issuer and requires a direct electronic link to the directory to be displayed in a conspicuous manner in the electronic summary of benefits and coverage of each health benefit plan issued by the health benefit plan issuer on the website. The bill requires the health benefit plan issuer to clearly indicate in the directory each health benefit plan issued by the issuer that may provide coverage for services provided by each physician or health care provider included in the directory and requires the directory to be electronically searchable by physician or health care provider name and location and to be publicly accessible without necessity of providing a password, user name, or personally identifiable information.

C.S.H.B. 1624 requires the health benefit plan issuer to conduct an ongoing review of the directory and to correct or update the information as necessary. The bill requires corrections and updates, if any, to be made not less than once each month. The bill requires the health benefit plan issuer to conspicuously display in the directory an e-mail address and a toll-free telephone number to which any individual may report any inaccuracy in the directory and requires a health benefit plan issuer that receives a report from any person that specifically identified directory information may be inaccurate to investigate the report and correct the information, as necessary, not later than the seventh day after the date the report is received.

C.S.H.B. 1624 defines "health care provider" as a practitioner, institutional provider, or other person or organization that furnishes health care services and that is licensed or otherwise authorized to practice in Texas and specifies that the term includes a pharmacist, pharmacy, hospital, nursing home, or other medical or health-related service facility that provides care for the sick or injured or other care. The bill specifies that the definition does not include a physician. The bill makes its provisions relating to health care provider directories applicable to specified health benefit plans offered by specified types of insurance providers and exempts specified types of health benefit plans, coverages, insurance policies, and programs from those provisions. The bill applies only to a health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2016.

EFFECTIVE DATE

September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1624 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Subchapter B, Chapter 1369, Insurance Code, is amended by adding Sections 1369.0542 and 1369.0543 to read as follows:	SECTION 1. Subchapter B, Chapter 1369, Insurance Code, is amended by adding Sections 1369.0542, 1369.0543, and 1369.0544 to read as follows:
Sec. 1369.0542. FORMULARY INFORMATION ON INTERNET WEBSITE. (a) A health benefit plan issuer shall display on a public Internet website maintained by the issuer formulary information as required by the commissioner by rule. The information must be displayed in the template format developed under Section 1369.0543.	Sec. 1369.0542. FORMULARY INFORMATION ON INTERNET WEBSITE. (a) A health benefit plan issuer shall display on a public Internet website maintained by the issuer formulary information as required by the commissioner by rule. The information must be displayed in the template format developed under Section 1369.0543.
(b) A direct electronic link to the formulary information must be displayed in a conspicuous manner on the home page of the health benefit plan issuer's Internet website. The information must be publicly accessible without necessity of providing a password, a user name, or personally identifiable information.	(b) A direct electronic link to the formulary information must be displayed in a conspicuous manner in the electronic summary of benefits and coverage of each health benefit plan issued by the health benefit plan issuer on the health benefit plan issuer's Internet website. The information must be publicly accessible to enrollees, prospective enrollees, and others without necessity of providing a password, a user name, or personally identifiable information.
Sec. 1369.0543. DEVELOPMENT OF TEMPLATE. (a) The department shall develop a template that all health benefit plan issuers must use to display formulary information as required by Section 1369.0542.	Sec. 1369.0543. DEVELOPMENT OF TEMPLATE. (a) The department shall develop a template that all health benefit plan issuers must use to display formulary information as required by Section 1369.0542.
(b) The commissioner shall appoint a committee to advise the department on the development of the template, which must be electronically searchable by drug name and include:	(b) The commissioner shall appoint a committee to advise the department on the development of the template, which must be electronically searchable by drug name and include:
(1) detailed information about cost-sharing tiers, including coinsurance amounts or range of amounts for each drug;	(1) for each prescription drug included in the formulary that is subject to coinsurance and dispensed at an in-network pharmacy: (A) each enrollee's cost-sharing amount; or (B) a cost-sharing range, denoted as follows: (i) under $100 - $; (ii) $100-$250 - $$; (iii) $251-$500 - $$$; (iv) $501-$1,000 - $$$$; or (v) over $1,000 - $$$$$;
(2) disclosure of prior authorization, step therapy, or other protocol requirements for each drug;	(2) a disclosure of prior authorization, step therapy, or other protocol requirements for each drug;
	(3) if the health benefit plan uses a tier-based formulary, the specific tier for each drug listed in the formulary and the specific

	copayments for each tier as set out in the evidence of coverage; (4) for prescription drugs covered under the health benefit plan and typically administered by a provider, any cost sharing for each drug; (5) a description of how prescription drugs will specifically be included in or excluded from the deductible, including a description of out-of-pocket costs for a prescription drug that may not apply to the deductible;
(3) identification of preferred formulary drugs; (4) an explanation of coverage of each formulary drug; and (5) an indication of each formulary that applies to each health benefit plan issued by the issuer.	(6) identification of preferred formulary drugs; (7) an explanation of coverage of each formulary drug; and (8) an indication of each formulary that applies to each health benefit plan issued by the issuer.
(c) The advisory committee shall be composed of an equal number of members from each of the following groups of stakeholders: (1) physicians; (2) health care providers other than physicians; (3) consumers; and (4) health benefit plan issuers.	(c) The advisory committee shall be composed of an equal number of members from each of the following groups of stakeholders: (1) physicians; (2) health care providers other than physicians; (3) consumers; and (4) health benefit plan issuers.
No equivalent provision.	Sec. 1369.0544. FORMULARY INFORMATION PROVIDED BY TOLL-FREE TELEPHONE NUMBER. In addition to providing the information described by Section 1369.0543(b)(4), a health benefit plan issuer may make the information available to enrollees, prospective enrollees, and others through a toll-free telephone number that operates at least during normal business hours.
SECTION 2. Chapter 1451, Insurance Code, is amended by adding Subchapter K to read as follows: SUBCHAPTER K. HEALTH CARE PROVIDER DIRECTORIES Sec. 1451.501. DEFINITIONS.	SECTION 2. Chapter 1451, Insurance Code, is amended by adding Subchapter K to read as follows: SUBCHAPTER K. HEALTH CARE PROVIDER DIRECTORIES Sec. 1451.501. DEFINITIONS.
Sec. 1451.502. APPLICABILITY OF SUBCHAPTER.	Sec. 1451.502. APPLICABILITY OF SUBCHAPTER.
Sec. 1451.503. EXCEPTION.	Sec. 1451.503. EXCEPTION.
Sec. 1451.504. PHYSICIAN AND HEALTH CARE PROVIDER DIRECTORIES.	Sec. 1451.504. PHYSICIAN AND HEALTH CARE PROVIDER DIRECTORIES.

Sec. 1451.505. PHYSICIAN AND HEALTH CARE PROVIDER DIRECTORY ON INTERNET WEBSITE. (a) A health benefit plan issuer shall display on a public Internet website maintained by the issuer the directory required by Section 1451.504. A direct electronic link to the directory must be displayed in a conspicuous manner on the home page of the Internet website.

(b) The health benefit plan issuer shall clearly indicate in the directory each health benefit plan issued by the issuer that may provide coverage for services provided by each physician or health care provider included in the directory.

(c) The directory must be:

(1) electronically searchable by physician or health care provider name and location; and

(2) publicly accessible without necessity of providing a password, a user name, or personally identifiable information.

(d) The health benefit plan issuer shall conduct an ongoing review of the directory and correct or update the information as necessary. Except as provided by Subsection (e), corrections and updates, if any, must be made not less than once each month.

(e) The health benefit plan issuer shall conspicuously display in the directory required by Section 1451.504 an e-mail address and a toll-free telephone number to which any individual may report any inaccuracy in the directory. If the issuer receives a report from any person that specifically identified directory information may be inaccurate, the issuer shall investigate the report and correct the information, as necessary, not later than the seventh day after the date the report is received.

SECTION 3. The commissioner of insurance shall ensure that the template developed under Section 1369.0543, Insurance Code, as added by this Act, is available for initial use under Section 1369.0542, Insurance Code, as added by this Act, not later than January 1, 2016.

SECTION 4. This Act applies only to a health benefit plan that is delivered, issued

Sec. 1451.505. PHYSICIAN AND HEALTH CARE PROVIDER DIRECTORY ON INTERNET WEBSITE. (a) A health benefit plan issuer shall display on a public Internet website maintained by the issuer the directory required by Section 1451.504. A direct electronic link to the directory must be displayed in a conspicuous manner in the electronic summary of benefits and coverage of each health benefit plan issued by the health benefit plan issuer on the Internet website.

(b) The health benefit plan issuer shall clearly indicate in the directory each health benefit plan issued by the issuer that may provide coverage for services provided by each physician or health care provider included in the directory.

(c) The directory must be:

(1) electronically searchable by physician or health care provider name and location; and

(2) publicly accessible without necessity of providing a password, a user name, or personally identifiable information.

(d) The health benefit plan issuer shall conduct an ongoing review of the directory and correct or update the information as necessary. Except as provided by Subsection (e), corrections and updates, if any, must be made not less than once each month.

(e) The health benefit plan issuer shall conspicuously display in the directory required by Section 1451.504 an e-mail address and a toll-free telephone number to which any individual may report any inaccuracy in the directory. If the issuer receives a report from any person that specifically identified directory information may be inaccurate, the issuer shall investigate the report and correct the information, as necessary, not later than the seventh day after the date the report is received.

SECTION 3. Same as introduced version.

SECTION 4. Same as introduced version.

for delivery, or renewed on or after January 1, 2016. A plan delivered, issued for delivery, or renewed before January 1, 2016, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 5. This Act takes effect September 1, 2015.

SECTION 5. Same as introduced version.