1-1 By: Frullo (Senate Sponsor - Watson)
1-2 (In the Senate - Received from the House May 14, 2015;
1-3 May 14, 2015, read first time and referred to Committee on Business
1-4 and Commerce; May 19, 2015, reported favorably by the following
1-5 vote: Yeas 8, Nays 0; May 19, 2015, sent to printer.)

1-6 COMMITTEE VOTE

1-7		Yea	Nay	Absent	PNV
1-8	Eltife	Х			
1-9	Creighton			Χ	
1-10	Ellis	Х			
1-11	Huffines	Χ			
1-12	Schwertner	Χ			
1-13	Seliger	X			
1-14	Taylor of Galveston	X			
1-15	Watson	X			
1-16	Whitmire	Χ			

1-17 A BILL TO BE ENTITLED AN ACT

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relating to regulation of certain conduct by discount health care program operators, or concerning discount health care programs, that relates to prescription drugs or prescription drug benefits; authorizing administrative and civil penalties.

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

SECTION 1. Subchapter B, Chapter 562, Insurance Code, is amended by adding Sections 562.055 and 562.056 to read as follows:

Sec. 562.055. NETWORK PARTICIPATION REQUIREMENTS. (a) It is an unfair method of competition or an unfair or deceptive act or practice in the business of discount health care programs for a discount health care program operator or an affiliate or agent of a discount health care program operator to require a pharmacy or pharmacist to:

(1) participate in a specified provider network as a condition of processing a claim for prescription drugs under the discount health care program; or

(2) participate in, or process claims under, a discount health care program as a condition of participation in a provider network.

provider network.

(b) A discount health care program operator is not legally liable for any act or omission of an agent of the operator in violation of Subsection (a).

Sec. 562.056. CERTAIN METHODS OF PROMOTIONS. (a) It is an unfair method of competition or an unfair or deceptive act or practice in the business of discount health care programs for a discount health care program operator to pay any consideration to a health care services provider:

(1) to encourage an individual to claim a discount for prescription drugs under a discount health care program; or

(2) to include discount health care program information on a prescription for a drug or in materials accompanying the prescription.

(b) It is an unfair method of competition or an unfair or deceptive act or practice in the business of discount health care programs for a discount health care program operator to provide a person with written prescription forms that could reasonably mislead an individual to believe that the discount health care program is health insurance or provides coverage similar to health insurance.

SECTION 2. Subchapter D, Chapter 4151, Insurance Code, is amended by adding Section 4151.154 to read as follows:

Sec. 4151.154. DISCOUNT HEALTH CARE PROGRAMS. A pharmacy

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benefit manager may not require a pharmacist or pharmacy to:

(1) accept or process a claim for prescription drugs under a discount health care program as defined by Section 7001.001 unless the pharmacist or pharmacy agrees in writing to accept or process the claim;

(2) participate in a specified provider network as a condition of processing a claim for prescription drugs under a discount health care program; or

(3) participate in, or process claims under, a discount health care program as a condition of participation in a

provider network.

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SECTION 3. (a) Except as provided by Subsection (b) of this section, the changes in law made by this Act apply only to conduct that occurs on or after the effective date of this Act. Conduct that occurs before the effective date of this Act is governed by the law as it existed when the conduct occurred, and the former law is continued in effect for that purpose.

(b) The changes in law made by this Act apply only to a claim filed under a discount health care program on or after the effective date of this Act. A claim filed before the effective date of this Act 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 4. This Act takes effect September 1, 2015.

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