

By: Seliger

S.B. No. 1520

A BILL TO BE ENTITLED

AN ACT

relating to transparency of certain information related to certain health benefit plan coverage.

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

SECTION 1. Subchapter B, Chapter 1369, Insurance Code, is amended by adding Sections 1369.0542 and 1369.0543 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.

(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.

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:

1 (1) detailed information about cost-sharing tiers,
2 including coinsurance amounts or range of amounts for each drug;

3 (2) disclosure of prior authorization, step therapy,
4 or other protocol requirements for each drug;

5 (3) identification of preferred formulary drugs;

6 (4) an explanation of coverage of each formulary drug;

7 and

8 (5) an indication of each formulary that applies to
9 each health benefit plan issued by the issuer.

10 (c) The advisory committee shall be composed of an equal
11 number of members from each of the following groups of
12 stakeholders:

13 (1) physicians;

14 (2) health care providers other than physicians;

15 (3) consumers; and

16 (4) health benefit plan issuers.

17 SECTION 2. Chapter 1451, Insurance Code, is amended by
18 adding Subchapter K to read as follows:

19 SUBCHAPTER K. HEALTH CARE PROVIDER DIRECTORIES

20 Sec. 1451.501. DEFINITIONS. In this subchapter:

21 (1) "Health care provider" means a practitioner,
22 institutional provider, or other person or organization that
23 furnishes health care services and that is licensed or otherwise
24 authorized to practice in this state. The term includes a
25 pharmacist, pharmacy, hospital, nursing home, or other medical or
26 health-related service facility that provides care for the sick or
27 injured or other care. The term does not include a physician.

1 (2) "Physician" means an individual licensed to
2 practice medicine in this state.

3 Sec. 1451.502. APPLICABILITY OF SUBCHAPTER. This
4 subchapter applies only to a health benefit plan that provides
5 benefits for medical or surgical expenses incurred as a result of a
6 health condition, accident, or sickness, including an individual,
7 group, blanket, or franchise insurance policy or insurance
8 agreement, a group hospital service contract, or a small or large
9 employer group contract or similar coverage document that is
10 offered by:

11 (1) an insurance company;

12 (2) a group hospital service corporation operating
13 under Chapter 842;

14 (3) a fraternal benefit society operating under
15 Chapter 885;

16 (4) a stipulated premium company operating under
17 Chapter 884;

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

19 (6) a health maintenance organization operating under
20 Chapter 843;

21 (7) a multiple employer welfare arrangement that holds
22 a certificate of authority under Chapter 846; or

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

25 Sec. 1451.503. EXCEPTION. This subchapter does not apply
26 to:

27 (1) a health benefit plan that provides coverage:

- 1 (A) only for a specified disease or for another
2 single benefit;
- 3 (B) only for accidental death or dismemberment;
- 4 (C) for wages or payments in lieu of wages for a
5 period during which an employee is absent from work because of
6 sickness or injury;
- 7 (D) as a supplement to a liability insurance
8 policy;
- 9 (E) for credit insurance;
- 10 (F) only for dental or vision care;
- 11 (G) only for hospital expenses; or
- 12 (H) only for indemnity for hospital confinement;
- 13 (2) a Medicare supplemental policy as defined by
14 Section 1882(g)(1), Social Security Act (42 U.S.C. Section 1395ss),
15 as amended;
- 16 (3) a workers' compensation insurance policy;
- 17 (4) medical payment insurance coverage provided under
18 a motor vehicle insurance policy;
- 19 (5) a long-term care insurance policy, including a
20 nursing home fixed indemnity policy, unless the commissioner
21 determines that the policy provides benefit coverage so
22 comprehensive that the policy is a health benefit plan as described
23 by Section 1451.502;
- 24 (6) the child health plan program under Chapter 62,
25 Health and Safety Code, or the health benefits plan for children
26 under Chapter 63, Health and Safety Code; or
- 27 (7) a Medicaid managed care program operated under

1 Chapter 533, Government Code, or a Medicaid program operated under
2 Chapter 32, Human Resources Code.

3 Sec. 1451.504. PHYSICIAN AND HEALTH CARE PROVIDER
4 DIRECTORIES. (a) A health benefit plan issuer that offers coverage
5 for health care services through preferred providers, exclusive
6 providers, or a network of physicians or health care providers
7 shall develop and maintain a physician and health care provider
8 directory in accordance with this subchapter.

9 (b) The directory must include the name, street address, and
10 telephone number of each physician and health care provider
11 described by Subsection (a) and indicate whether the physician or
12 provider is accepting new patients.

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

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

23 (c) The directory must be:

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

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

1 information.

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

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

14 SECTION 3. The commissioner of insurance shall ensure that
15 the template developed under Section 1369.0543, Insurance Code, as
16 added by this Act, is available for initial use under Section
17 1369.0542, Insurance Code, as added by this Act, not later than
18 January 1, 2016.

19 SECTION 4. This Act applies only to a health benefit plan
20 that is delivered, issued for delivery, or renewed on or after
21 January 1, 2016. A plan delivered, issued for delivery, or renewed
22 before January 1, 2016, is governed by the law as it existed
23 immediately before the effective date of this Act, and that law is
24 continued in effect for that purpose.

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