

BILL ANALYSIS

C.S.H.B. 1296
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Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that patients with multiple chronic conditions can have difficulty managing medication refills, which may lead to missed doses and interrupted treatment plans, avoidable and costly health complications, worsening of disease progression, and increased emergency room visits and hospital stays. C.S.H.B. 1296 seeks to avoid these negative effects by encouraging the use of prescription drug synchronization plans.

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. 1296 amends the Insurance Code to require a health benefit plan that provides benefits for prescription drugs to prorate any cost-sharing amount charged for a partial supply of a prescription drug if the pharmacy or the enrollee's prescribing physician or health care provider notifies the health benefit plan that the quantity dispensed is to synchronize the dates that the pharmacy dispenses the enrollee's prescription drugs and that the synchronization is in the enrollee's best interest and if the enrollee agrees to the synchronization. The bill specifies the types of medications with respect to which the bill's provisions apply and requires the proration to be based on the number of days' supply of the drug actually dispensed. The bill prohibits a health benefit plan that prorates a cost-sharing amount from prorating the fee paid to the pharmacy for dispensing the drug for which the cost-sharing amount was prorated.

C.S.H.B. 1296 requires a health benefit plan to establish a process through which the health benefit plan, the enrollee, the prescribing physician or health care provider, and a pharmacist may jointly approve a medication synchronization plan for medication to treat the enrollee's chronic illness. The bill requires a health benefit plan to provide coverage for a medication dispensed in accordance with the dates established in the medication synchronization plan and to establish a process that allows a pharmacist or pharmacy to override the health benefit plan's denial of coverage for a medication to treat the enrollee's chronic illness. The bill requires a health benefit plan to allow a pharmacist or pharmacy to override the health benefit plan's denial of coverage through such a process and requires the health benefit plan to provide coverage for the medication if the prescription for the medication is being refilled in accordance with the medication synchronization plan and the reason for the denial is that the prescription is being refilled before the date established by the plan's general prescription refill guidelines.

C.S.H.B. 1296 establishes the applicability of its provisions and requires, to the extent allowed by federal law, the child health plan program and the state Medicaid program, including the Medicaid managed care program, to provide the coverage required under the bill's provisions. The bill applies only to a health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2018.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1296 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

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

SUBCHAPTER J. COVERAGE RELATED TO PRESCRIPTION DRUG SYNCHRONIZATION

Sec. 1369.451. DEFINITIONS.

Sec. 1369.452. APPLICABILITY OF SUBCHAPTER.

No equivalent provision.

HOUSE COMMITTEE SUBSTITUTE

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

SUBCHAPTER J. COVERAGE RELATED TO PRESCRIPTION DRUG SYNCHRONIZATION

Sec. 1369.451. DEFINITIONS.

Sec. 1369.452. APPLICABILITY OF SUBCHAPTER.

Sec. 1369.453. APPLICABILITY TO CERTAIN MEDICATIONS. This subchapter applies with respect to only a medication that:

- (1) is covered by the enrollee's health benefit plan;
- (2) meets the prior authorization criteria specifically applicable to the medication under the health benefit plan on the date the request for synchronization is made;
- (3) is used for treatment and management of a chronic illness, as that term is defined by Section 1369.456;
- (4) may be prescribed with refills;
- (5) is a formulation that can be effectively dispensed in accordance with the medication synchronization plan described by Section 1369.456; and
- (6) is not, according to the schedules established by the commissioner of the Department of State Health Services under Chapter 481, Health and Safety Code:
 - (A) a Schedule II controlled substance; or
 - (B) a Schedule III controlled substance containing hydrocodone.

Sec. 1369.453. PRORATION OF COST-

Sec. 1369.454. PRORATION OF COST-

SHARING AMOUNT REQUIRED. (a) A health benefit plan that provides benefits for prescription drugs shall prorate any cost-sharing amount charged for a prescription drug dispensed in a quantity that is less than a 30 days' supply if:

(1) the pharmacy or the enrollee's prescribing physician or health care provider notifies the health benefit plan that:

(A) the quantity dispensed is to synchronize the dates that the pharmacy dispenses the enrollee's prescription drugs; and

(B) the synchronization of the dates is in the best interest of the enrollee; and

(2) the enrollee agrees to the synchronization.

(b) The proration described by Subsection (a) must be based on the number of days' supply of the drug actually dispensed.

Sec. 1369.454. PRORATION OF DISPENSING FEE PROHIBITED.

Sec. 1369.455. IMPLEMENTATION OF CERTAIN MEDICATION SYNCHRONIZATION PLANS.

SECTION 2. This Act applies only to a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2018. A health benefit plan delivered, issued for delivery, or renewed before January 1, 2018, 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 3. This Act takes effect September 1, 2017.

SHARING AMOUNT REQUIRED. (a) A health benefit plan that provides benefits for prescription drugs shall prorate any cost-sharing amount charged for a partial supply of a prescription drug if:

(1) the pharmacy or the enrollee's prescribing physician or health care provider notifies the health benefit plan that:

(A) the quantity dispensed is to synchronize the dates that the pharmacy dispenses the enrollee's prescription drugs; and

(B) the synchronization of the dates is in the best interest of the enrollee; and

(2) the enrollee agrees to the synchronization.

(b) The proration described by Subsection (a) must be based on the number of days' supply of the drug actually dispensed.

Sec. 1369.455. PRORATION OF DISPENSING FEE PROHIBITED.

Sec. 1369.456. IMPLEMENTATION OF CERTAIN MEDICATION SYNCHRONIZATION PLANS.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.