

1-1 By: Frullo, et al. (Senate Sponsor - Buckingham) H.B. No. 1296
 1-2 (In the Senate - Received from the House May 3, 2017;
 1-3 May 16, 2017, read first time and referred to Committee on Business
 1-4 & Commerce; May 21, 2017, reported favorably by the following vote:
 1-5 Yeas 8, Nays 0; May 21, 2017, sent to printer.)

1-6 COMMITTEE VOTE

| | Yea | Nay | Absent | PNV |
|------|-----|-----|--------|-----|
| 1-7 | | | | |
| 1-8 | X | | | |
| 1-9 | X | | | |
| 1-10 | X | | | |
| 1-11 | X | | | |
| 1-12 | | | X | |
| 1-13 | X | | | |
| 1-14 | X | | | |
| 1-15 | X | | | |
| 1-16 | X | | | |

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to health benefit coverage for prescription drug
 1-20 synchronization.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Chapter 1369, Insurance Code, is amended by
 1-23 adding Subchapter J to read as follows:

1-24 SUBCHAPTER J. COVERAGE RELATED TO PRESCRIPTION DRUG
 1-25 SYNCHRONIZATION

1-26 Sec. 1369.451. DEFINITIONS. In this subchapter:

1-27 (1) "Cost-sharing amount" includes an amount charged
 1-28 for a deductible, coinsurance, or copayment.

1-29 (2) "Health care provider" means a person who provides
 1-30 health care services under a license, certificate, registration, or
 1-31 other similar evidence of regulation issued by this or another
 1-32 state of the United States.

1-33 (3) "Physician" means an individual licensed to
 1-34 practice medicine in this or another state of the United States.

1-35 Sec. 1369.452. APPLICABILITY OF SUBCHAPTER. (a) This
 1-36 subchapter applies only to a health benefit plan that provides
 1-37 benefits for medical or surgical expenses incurred as a result of a
 1-38 health condition, accident, or sickness, including an individual,
 1-39 group, blanket, or franchise insurance policy or insurance
 1-40 agreement, a group hospital service contract, or an individual or
 1-41 group evidence of coverage or similar coverage document that is
 1-42 offered by:

1-43 (1) an insurance company;

1-44 (2) a group hospital service corporation operating
 1-45 under Chapter 842;

1-46 (3) a health maintenance organization operating under
 1-47 Chapter 843;

1-48 (4) an approved nonprofit health corporation that
 1-49 holds a certificate of authority under Chapter 844;

1-50 (5) a multiple employer welfare arrangement that holds
 1-51 a certificate of authority under Chapter 846;

1-52 (6) a stipulated premium company operating under
 1-53 Chapter 884;

1-54 (7) a fraternal benefit society operating under
 1-55 Chapter 885; or

1-56 (8) an exchange operating under Chapter 942.

1-57 (b) This subchapter applies to group health coverage made
 1-58 available by a school district in accordance with Section 22.004,
 1-59 Education Code.

1-60 (c) Notwithstanding any provision in Chapter 1551, 1575,
 1-61 1579, or 1601 or any other law, this subchapter applies to health

- 2-1 benefit plan coverage provided under:
- 2-2 (1) Chapter 1551;
- 2-3 (2) Chapter 1575;
- 2-4 (3) Chapter 1579; and
- 2-5 (4) Chapter 1601.
- 2-6 (d) Notwithstanding Section 1501.251 or any other law, this
- 2-7 subchapter applies to coverage under a small employer health
- 2-8 benefit plan subject to Chapter 1501.
- 2-9 (e) This subchapter applies to a standard health benefit
- 2-10 plan issued under Chapter 1507.
- 2-11 (f) To the extent allowed by federal law, the child health
- 2-12 plan program operated under Chapter 62, Health and Safety Code, and
- 2-13 the state Medicaid program, including the Medicaid managed care
- 2-14 program operated under Chapter 533, Government Code, shall provide
- 2-15 the coverage required under this subchapter to a recipient.
- 2-16 Sec. 1369.453. APPLICABILITY TO CERTAIN MEDICATIONS. This
- 2-17 subchapter applies with respect to only a medication that:
- 2-18 (1) is covered by the enrollee's health benefit plan;
- 2-19 (2) meets the prior authorization criteria
- 2-20 specifically applicable to the medication under the health benefit
- 2-21 plan on the date the request for synchronization is made;
- 2-22 (3) is used for treatment and management of a chronic
- 2-23 illness, as that term is defined by Section 1369.456;
- 2-24 (4) may be prescribed with refills;
- 2-25 (5) is a formulation that can be effectively dispensed
- 2-26 in accordance with the medication synchronization plan described by
- 2-27 Section 1369.456; and
- 2-28 (6) is not, according to the schedules established by
- 2-29 the commissioner of the Department of State Health Services under
- 2-30 Chapter 481, Health and Safety Code:
- 2-31 (A) a Schedule II controlled substance; or
- 2-32 (B) a Schedule III controlled substance
- 2-33 containing hydrocodone.
- 2-34 Sec. 1369.454. PRORATION OF COST-SHARING AMOUNT REQUIRED.
- 2-35 (a) A health benefit plan that provides benefits for prescription
- 2-36 drugs shall prorate any cost-sharing amount charged for a partial
- 2-37 supply of a prescription drug if:
- 2-38 (1) the pharmacy or the enrollee's prescribing
- 2-39 physician or health care provider notifies the health benefit plan
- 2-40 that:
- 2-41 (A) the quantity dispensed is to synchronize the
- 2-42 dates that the pharmacy dispenses the enrollee's prescription
- 2-43 drugs; and
- 2-44 (B) the synchronization of the dates is in the
- 2-45 best interest of the enrollee; and
- 2-46 (2) the enrollee agrees to the synchronization.
- 2-47 (b) The proration described by Subsection (a) must be based
- 2-48 on the number of days' supply of the drug actually dispensed.
- 2-49 Sec. 1369.455. PRORATION OF DISPENSING FEE PROHIBITED. A
- 2-50 health benefit plan that prorates a cost-sharing amount as required
- 2-51 by Section 1369.454 may not prorate the fee paid to the pharmacy for
- 2-52 dispensing the drug for which the cost-sharing amount was prorated.
- 2-53 Sec. 1369.456. IMPLEMENTATION OF CERTAIN MEDICATION
- 2-54 SYNCHRONIZATION PLANS. (a) For the purposes of this section:
- 2-55 (1) "Chronic illness" means an illness or physical
- 2-56 condition that may be:
- 2-57 (A) reasonably expected to continue for an
- 2-58 uninterrupted period of at least three months; and
- 2-59 (B) controlled but not cured by medical
- 2-60 treatment.
- 2-61 (2) "Medication synchronization plan" means a plan
- 2-62 established for the purpose of synchronizing the filling or
- 2-63 refilling of multiple prescriptions.
- 2-64 (b) A health benefit plan shall establish a process through
- 2-65 which the following parties may jointly approve a medication
- 2-66 synchronization plan for medication to treat an enrollee's chronic
- 2-67 illness:
- 2-68 (1) the health benefit plan;
- 2-69 (2) the enrollee;

3-1 (3) the prescribing physician or health care provider;

3-2 and

3-3 (4) a pharmacist.

3-4 (c) A health benefit plan shall provide coverage for a
3-5 medication dispensed in accordance with the dates established in
3-6 the medication synchronization plan described by Subsection (b).

3-7 (d) A health benefit plan shall establish a process that
3-8 allows a pharmacist or pharmacy to override the health benefit
3-9 plan's denial of coverage for a medication described by Subsection
3-10 (b).

3-11 (e) A health benefit plan shall allow a pharmacist or
3-12 pharmacy to override the health benefit plan's denial of coverage
3-13 through the process described by Subsection (d), and the health
3-14 benefit plan shall provide coverage for the medication if:

3-15 (1) the prescription for the medication is being
3-16 refilled in accordance with the medication synchronization plan
3-17 described by Subsection (b); and

3-18 (2) the reason for the denial is that the prescription
3-19 is being refilled before the date established by the plan's general
3-20 prescription refill guidelines.

3-21 SECTION 2. This Act applies only to a health benefit plan
3-22 that is delivered, issued for delivery, or renewed on or after
3-23 January 1, 2018. A health benefit plan delivered, issued for
3-24 delivery, or renewed before January 1, 2018, is governed by the law
3-25 as it existed immediately before the effective date of this Act, and
3-26 that law is continued in effect for that purpose.

3-27 SECTION 3. This Act takes effect September 1, 2017.

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