

By: Seliger

S.B. No. 895

A BILL TO BE ENTITLED

AN ACT

relating to the transparency of certain information related to prescription drug coverage provided by certain health benefit plans.

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

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

SUBCHAPTER B-1. TRANSPARENCY REQUIREMENTS FOR CERTAIN INDIVIDUAL HEALTH BENEFIT PLANS

Sec. 1369.076. DEFINITIONS. In this subchapter, terms defined by Subchapter B have the meanings assigned by that subchapter.

Sec. 1369.077. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a health benefit plan that:

- (1) provides prescription drug coverage under an individual health benefit plan to which Subchapter B applies; and
- (2) uses one or more drug formularies to specify the prescription drugs covered under the plan.

SECTION 2. Sections 1369.0542 through 1369.0544, Insurance Code, are transferred to Subchapter B-1, Insurance Code, redesignated as Sections 1369.078 through 1369.080, and amended to read as follows:

Sec. 1369.078 [1369.0542]. FORMULARY INFORMATION ON INTERNET WEBSITE. (a) A health benefit plan issuer shall display

1 on a public Internet website maintained by the issuer formulary
2 information for each of the issuer's individual health benefit
3 plans as required by the commissioner by rule.

4 (b) A direct electronic link to the formulary information
5 must be displayed in a conspicuous manner in the electronic summary
6 of benefits and coverage of each individual health benefit plan
7 issued by the health benefit plan issuer on the health benefit plan
8 issuer's Internet website. The information must be publicly
9 accessible to enrollees, prospective enrollees, and others without
10 necessity of providing a password, a user name, or personally
11 identifiable information.

12 Sec. 1369.079 [~~1369.0543~~]. FORMULARY DISCLOSURE
13 REQUIREMENTS. (a) The commissioner shall develop and adopt by rule
14 requirements to promote consistency and clarity in the disclosure
15 of formularies to facilitate comparison shopping among individual
16 health benefit plans.

17 (b) The requirements adopted under Subsection (a) must
18 apply to each prescription drug:

19 (1) included in a formulary and dispensed in a network
20 pharmacy; or

21 (2) covered under an individual [a] health benefit
22 plan and typically administered by a physician or health care
23 provider.

24 (c) The formulary disclosures must:

25 (1) be electronically searchable by drug name;

26 (2) include for each drug the information required by
27 Subsection (d) in the order listed in that subsection; and

1 (3) indicate each formulary that applies to each
2 individual health benefit plan issued by the issuer.

3 (d) The formulary disclosures must include for each drug:

4 (1) the cost-sharing amount for each drug, including
5 as applicable:

6 (A) the dollar amount of a copayment; or

7 (B) for a drug subject to coinsurance:

8 (i) an enrollee's cost-sharing amount
9 stated in dollars; or

10 (ii) a cost-sharing range, denoted as
11 follows:

12 (a) under \$100 - \$;

13 (b) \$100-\$250 - \$\$;

14 (c) \$251-\$500 - \$\$\$;

15 (d) \$501-\$1,000 - \$\$\$\$; or

16 (e) over \$1,000 - \$\$\$\$\$;

17 (2) a disclosure of prior authorization, step therapy,
18 or other protocol requirements for each drug;

19 (3) if the individual health benefit plan uses a
20 tier-based formulary, the specific tier for each drug listed in the
21 formulary;

22 (4) a description of how prescription drugs will
23 specifically be included in or excluded from the deductible,
24 including a description of out-of-pocket costs for a prescription
25 drug that may not apply to the deductible;

26 (5) identification of preferred formulary drugs; and

27 (6) an explanation of coverage of each formulary drug.

1 (e) The commissioner by rule may allow an alternative method
2 of making disclosures required under Subsection (d)(1) relating to
3 cost-sharing through a web-based tool that must:

4 (1) be publicly accessible to enrollees, prospective
5 enrollees, and others without necessity of providing a password, a
6 user name, or personally identifiable information;

7 (2) allow consumers to electronically search
8 formulary information by the name under which the individual health
9 benefit plan is marketed; and

10 (3) be accessible through a direct link that is
11 displayed on each page of the formulary disclosure that lists each
12 drug as required under Subsection (c).

13 Sec. 1369.080 [~~1369.0544~~]. FORMULARY INFORMATION PROVIDED
14 BY TOLL-FREE TELEPHONE NUMBER. In addition to providing the
15 information described by Section 1369.079(d)(1) in the manner
16 required by Section 1369.079 [~~1369.0543(d)(1)~~], a health benefit
17 plan issuer may make the information available to enrollees,
18 prospective enrollees, and others through a toll-free telephone
19 number that operates at least during normal business hours.

20 SECTION 3. The changes in law made by this Act apply only to
21 a health benefit plan that is delivered, issued for delivery, or
22 renewed on or after September 1, 2017. A health benefit plan
23 delivered, issued for delivery, or renewed before September 1,
24 2017, is governed by the law as it existed immediately before the
25 effective date of this Act, and that law is continued in effect for
26 that purpose.

27 SECTION 4. This Act takes effect September 1, 2017.