

SENATE AMENDMENTS

2nd Printing

By: Thompson of Harris, King of Hemphill,
Kacal, Zedler, Cole, et al.

H.B. No. 1584

A BILL TO BE ENTITLED

AN ACT

relating to health benefit plan coverage of prescription drugs for
stage-four advanced, metastatic cancer.

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

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

SUBCHAPTER E-1. COVERAGE OF PRESCRIPTION DRUGS FOR STAGE-FOUR
ADVANCED, METASTATIC CANCER

Sec. 1369.211. DEFINITIONS. In this subchapter:

(1) "Associated conditions" means the symptoms or side
effects associated with stage-four advanced, metastatic cancer or
its treatment and which, in the judgment of the health care
practitioner, further jeopardize the health of a patient if left
untreated.

(2) "Stage-four advanced, metastatic cancer" means
cancer that has spread from the primary or original site of the
cancer to nearby tissues, lymph nodes, or other areas or parts of
the body.

Sec. 1369.212. APPLICABILITY OF SUBCHAPTER. (a) This
subchapter applies only to a health benefit plan that provides
benefits for medical or surgical expenses or pharmacy benefits
incurred as a result of a health condition, accident, or sickness,
including an individual, group, blanket, or franchise insurance
policy or insurance agreement, a group hospital service contract,

or an individual or group evidence of coverage or similar coverage document that is issued by:

(1) an insurance company;

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

(3) a health maintenance organization operating under Chapter 843;

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

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

(6) a stipulated premium company operating under Chapter 884;

(7) a fraternal benefit society operating under Chapter 885;

(8) a Lloyd's plan operating under Chapter 941; or

(9) an exchange operating under Chapter 942.

(b) Notwithstanding any other law, this subchapter applies to:

(1) a small employer health benefit plan subject to Chapter 1501, including coverage provided through a health group cooperative under Subchapter B of that chapter;

(2) a standard health benefit plan issued under Chapter 1507;

(3) a basic coverage plan under Chapter 1551;

(4) a basic plan under Chapter 1575;

(5) a primary care coverage plan under Chapter 1579;

1 (6) a plan providing basic coverage under Chapter
2 1601;

3 (7) health benefits provided by or through a church
4 benefits board under Subchapter I, Chapter 22, Business
5 Organizations Code;

6 (8) group health coverage made available by a school
7 district in accordance with Section 22.004, Education Code;

8 (9) the state Medicaid program, including the Medicaid
9 managed care program operated under Chapter 533, Government Code;

10 (10) the child health plan program under Chapter 62,
11 Health and Safety Code;

12 (11) a regional or local health care program operated
13 under Section 75.104, Health and Safety Code; and

14 (12) a self-funded health benefit plan sponsored by a
15 professional employer organization under Chapter 91, Labor Code.

16 (c) This subchapter applies to coverage under a group health
17 benefit plan provided to a resident of this state regardless of
18 whether the group policy, agreement, or contract is delivered,
19 issued for delivery, or renewed in this state.

20 Sec. 1369.213. PROHIBITED CONDUCT. (a) A health benefit
21 plan that provides coverage for stage-four advanced, metastatic
22 cancer and associated conditions may not require, before the health
23 benefit plan provides coverage of a prescription drug approved by
24 the United States Food and Drug Administration, that the enrollee:

25 (1) fail to successfully respond to a different drug;
26 or

27 (2) prove a history of failure of a different drug.

1 (b) This section applies only to a drug the use of which is:

2 (1) consistent with best practices for the treatment
3 of stage-four advanced, metastatic cancer or an associated
4 condition; and

5 (2) supported by peer-reviewed medical literature.

6 SECTION 2. This Act applies only to a health benefit plan
7 delivered, issued for delivery, or renewed on or after January 1,
8 2020. A health benefit plan delivered, issued for delivery, or
9 renewed before January 1, 2020, is governed by the law as it existed
10 immediately before the effective date of this Act, and that law is
11 continued in effect for that purpose.

12 SECTION 3. This Act takes effect September 1, 2019.

ADOPTED

MAY 22 2019

Patricia Spauld
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY:

D. Bucking

1 Amend H.B. 1584 (senate committee report) in SECTION 1 of the
2 bill, by striking added Section 1369.213(b), Insurance Code (page
3 2, lines 36 through 40), and substituting the following:

4 (b) This section applies only to a drug the use of which is:

5 (1) consistent with best practices for the treatment
6 of stage-four advanced, metastatic cancer or an associated
7 condition;

8 (2) supported by peer-reviewed, evidence-based
9 literature; and

10 (3) approved by the United States Food and Drug
11 Administration.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 23, 2019

TO: Honorable Dennis Bonnen, Speaker of the House, House of Representatives

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1584 by Thompson, Senfronia (Relating to health benefit plan coverage of prescription drugs for stage-four advanced, metastatic cancer.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated relating to prescription drug coverage for stage-four advanced, metastatic cancer. According to the Health and Human Services Commission (HHSC), the fiscal implications of the bill cannot be determined at this time relating to the uncertainty of prescription drug coverage for associated conditions of stage-four advanced, metastatic cancer.

The bill would amend the Insurance Code relating to health benefit plan coverage of prescription drugs for stage-four advanced, metastatic cancer.

While additional costs to a health plan relating to prescription drug coverage for stage-four advanced, metastatic cancer and associated conditions may result in the need for higher contribution rates from the state or members, this analysis assumes that costs could be absorbed using existing resources at the Employees Retirement System.

According to HHSC, the fiscal implications of the bill as it applies to prescription drug coverage for associated conditions of stage-four advanced, metastatic cancer cannot be determined at this time due to the uncertainty of such coverage.

The Teacher Retirement System (TRS) assumes the provisions of the bill would increase costs for the TRS-Care and ActiveCare programs by \$250,000 and \$390,000 per fiscal year, respectively. Additional costs would not increase the statutorily required state contributions to TRS-Care and ActiveCare for the 2020-21 biennium; therefore, no significant fiscal impact to the General Revenue Fund is anticipated. However, the additional costs may result in the need for higher contribution rates from the State, employers, or members to the TRS-Care and ActiveCare programs.

Based on information provided by the Texas Department of Insurance, The University of Texas System Administration, and Texas A&M University System Administration, this analysis assumes that the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill applies only to a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2020. The bill would take effect on September 1, 2019.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 529 Health and Human Services Commission, 454 Department of Insurance, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

LBB Staff: WP, CLo, CP, CMa, KFB, ASa

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 14, 2019

TO: Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1584 by Thompson, Senfronia (Relating to health benefit plan coverage of prescription drugs for stage-four advanced, metastatic cancer.), **As Engrossed**

No significant fiscal implication to the State is anticipated relating to prescription drug coverage for stage-four advanced, metastatic cancer. According to the Health and Human Services Commission (HHSC), the fiscal implications of the bill cannot be determined at this time relating to the uncertainty of prescription drug coverage for associated conditions of stage-four advanced, metastatic cancer.

The bill would amend the Insurance Code relating to health benefit plan coverage of prescription drugs for stage-four advanced, metastatic cancer.

While additional costs to a health plan relating to prescription drug coverage for stage-four advanced, metastatic cancer and associated conditions may result in the need for higher contribution rates from the state or members, this analysis assumes that costs could be absorbed using existing resources at the Employees Retirement System.

According to HHSC, the fiscal implications of the bill as it applies to prescription drug coverage for associated conditions of stage-four advanced, metastatic cancer cannot be determined at this time due to the uncertainty of such coverage.

The Teacher Retirement System (TRS) assumes the provisions of the bill would increase costs for the TRS-Care and ActiveCare programs by \$250,000 and \$390,000 per fiscal year, respectively. Additional costs would not increase the statutorily required state contributions to TRS-Care and ActiveCare for the 2020-21 biennium; therefore, no significant fiscal impact to the General Revenue Fund is anticipated. However, the additional costs may result in the need for higher contribution rates from the State, employers, or members to the TRS-Care and ActiveCare programs.

Based on information provided by the Texas Department of Insurance, The University of Texas System Administration, and Texas A&M University System Administration, this analysis assumes that the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill applies only to a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2020. The bill would take effect on September 1, 2019.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 529 Health and Human Services Commission, 454 Department of Insurance, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

LBB Staff: WP, CLo, CP, CMa, KFB, ASa

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 20, 2019

TO: Honorable Eddie Lucio III, Chair, House Committee on Insurance

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1584 by Thompson, Senfronia (relating to health benefit plan coverage of prescription drugs for stage-four advanced, metastatic cancer.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated relating to prescription drug coverage for stage-four advanced, metastatic cancer. However, the fiscal implications of the bill cannot be determined at this time relating to the uncertainty of prescription drug coverage for associated conditions of stage-four advanced, metastatic cancer.

The bill would amend the Insurance Code relating to health benefit plan coverage of prescription drugs for both stage-four advanced, metastatic cancer and associated conditions of stage-four advanced metastatic cancer.

While additional costs to a health plan relating to prescription drug coverage for stage-four advanced, metastatic cancer may result in the need for higher contribution rates from the state or members, this analysis assumes that costs could be absorbed using existing resources at the Employees Retirement System. However, according to the Employees Retirement System and Health and Human Services Commission, the fiscal implications of that the bill as it applies to prescription drug coverage for associated conditions of stage-four advanced, metastatic cancer cannot be determined at this time due to the uncertainty of such coverage.

The Teacher Retirement System (TRS) assumes the provisions of the bill would increase costs for the TRS-Care and ActiveCare programs by \$250,000 and \$390,000 per fiscal year, respectively. Additional costs would not increase the statutorily required state contributions to TRS-Care and ActiveCare for the 2020-21 biennium; therefore, no significant fiscal impact to the General Revenue Fund is anticipated. However, the additional costs may result in the need for higher contribution rates from the State, employers, or members to the TRS-Care and ActiveCare programs.

Based on information provided by the Texas Department of Insurance, The University of Texas System Administration, and Texas A&M University System Administration, this analysis assumes that the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill applies only to a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2020. The bill would take effect on September 1, 2019.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance, 529 Health and Human Services Commission, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

LBB Staff: WP, CMa, CP, KFB, ASa

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 1, 2019

TO: Honorable Eddie Lucio III, Chair, House Committee on Insurance

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1584 by Thompson, Senfronia (Relating to health benefit plan coverage of prescription drugs for stage-four advanced, metastatic cancer.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to health benefit plan coverage of prescription drugs for stage-four advanced, metastatic cancer. Based on information provided by the Texas Department of Insurance, The University of Texas System Administration, Texas A&M University System Administration, and Health and Human Services Commission, this analysis assumes that the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The Teacher Retirement System (TRS) assumes the provisions of the bill would increase costs for the TRS-Care and ActiveCare programs by \$250,000 and \$390,000 per fiscal year, respectively. Additional costs would not increase the statutorily-required state contributions to TRS-Care and ActiveCare for the 2020-21 biennium; therefore, no significant fiscal impact to the General Revenue Fund is anticipated. However, the additional costs may result in the need for higher contribution rates from the State, employers, or members to the TRS-Care and ActiveCare programs.

While additional costs to a health plan may result in the need for higher contribution rates from the state or members, this analysis assumes that costs could be absorbed using existing resources at the Employees Retirement System.

The bill applies only to a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2020. The bill would take effect on September 1, 2019.

Local Government Impact

Additional costs to the TRS-Care and ActiveCare programs may result in the need for higher contribution rates from the state, public education employers, or members.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 454
Department of Insurance, 529 Health and Human Services Commission,
710 Texas A&M University System Administrative and General Offices,

720 The University of Texas System Administration

LBB Staff: WP, CMa, CP, LR, KFB, ASa, AO