

BILL ANALYSIS

C.S.H.B. 1586
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Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Clinician-administered drugs, often considered specialty drugs, are medications prescribed to patients diagnosed with chronic, complex, rare, or life-threatening medical conditions. These drugs, for example chemotherapy treatments, are generally injected or infused at a site of care, such as a physician's office or hospital outpatient infusion center. Care plan modifications often occur on the day of treatment, after the provider has reviewed the patient's most recent labs or measurements. Generally, once filled and labeled, expensive clinician-administered drugs cannot be substituted or modified; they must be discarded. To avoid waste and to account for these last-minute adjustments, providers and hospitals purchase these drugs directly from drug manufacturers or wholesale drug distributors in order to maintain an internal inventory to fill medication orders quickly and meet the provider's quality standards. However, health plan issuers may deny payment to health care providers unless these drugs are obtained, premixed and pre-labeled, from designated pharmacies based on network participation. C.S.H.B. 1586 seeks to ensure that for medically vulnerable patients with cancer or cancer-related diagnoses, health care providers can continue to dispense and bill for clinician-administered drugs and the administration of those drugs.

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. 1586 amends the Insurance Code to prohibit certain health benefit plan issuers, for a patient with a cancer or cancer-related diagnosis, from requiring a clinician-administered drug to be dispensed by a pharmacy or requiring that such a drug or the administration of the drug be covered as a pharmacy benefit rather than a medical benefit. Nothing in the bill's provisions may be construed to authorize a person to administer a drug otherwise prohibited under Texas or federal law or modify drug administration requirements under Texas law, including any requirements related to the delegation and supervision of drug administration.

C.S.H.B. 1586 defines certain relevant terms, including "administer," "clinician-administered drug," "health care provider," and "physician" and establishes, and provides certain exceptions to, the applicability of its provisions. The bill applies only to a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2022.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1586 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute establishes certain requirements related only to health benefit plan coverage of certain clinician-administered drugs rather than requirements applicable to health benefit plan coverage of a broader range of specialty drugs, as in the original.

The substitute does not include provisions that were included in the original relating to certain specialty drug requirements for a health benefit plan issuer or pharmacy benefit manager, including requirements related to obtaining, covering, and paying for specialty drugs.

The substitute includes a prohibition that was not included in the original against certain health benefit plan issuers, for a patient with a cancer or cancer-related diagnosis, requiring a clinician-administered drug to be dispensed by a pharmacy or requiring that such a drug or the administration of the drug be covered as a pharmacy benefit rather than a medical benefit.

The substitute replaces the defined terms included in the original with different defined terms.

The substitute includes a provision that was not included in the original making the bill applicable only to a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2022.