BILL ANALYSIS

Senate Research Center
87R22088 SMT-D

C.S.S.B. 2051
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Business & Commerce
5/4/2021
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

A serious mental illness (SMI) is defined as a diagnosable mental, behavioral, or emotional disorder that causes serious function impairment that substantially interferes with or limits one or more major life activities. Well-managed medication reduces the symptoms of SMI and allows individuals to focus on recovery, which improves quality of life and reduces costs of care.

Currently, prior authorization (PA) requirements designed to control costs actually diminish access to medications and deter adherence. These requirements may include administrative impediments that discourage clinicians from prescribing certain medications. Along with this, step therapy provisions also provide a barrier which require the cheapest drug to be prescribed to a patient first, rather than the medicine originally prescribed by the doctor. Due to the nature of SMI, adherence to medication is a significant challenge. As a result, individuals with SMI that incur access challenges face an increased likelihood of adverse events, including ER visits and hospitalizations. These adverse events result in overwhelming costs to human lives and to the healthcare delivery system.

S.B. 2051 would streamline the PA process in Medicaid by allowing providers to meet PA criteria for antipsychotics for treatment of SMI by documents in the medical record treatment failure, contraindication, or allergic reactions. It would also discontinue fail first practices in commercial plans by statutorily prohibiting plans from requiring SMI patients to either fail to successfully respond to a different drug or prove a history of failure of a different drug. By making these changes, this bill can improve health outcomes, significant savings to the health care system, and improve quality of life.

C.S.S.B 2051 provides that individuals with serious mental illness will not have to fail more than once for each new prescription (not including generic or brand name equivalents), and once they are stable, the only reason the individual would be required to change medications is for a new generic or brand name equivalent of the same medication, and only once per year. The language is also being moved in the substitute from its own new section of the Insurance Code into the existing Step Therapy section of the Insurance Code.

In simple terms, a newly-diagnosed individual with serious mental illness could initially be obligated to try a less-expensive medication, but only once. If they fail to respond successfully, they would receive the more expensive medication prescribed. Subsequently, once per year, a plan could obligate a stabilized individual with serious mental illness to try a less expensive alternative of the same medication, provided that it is an FDA-approved generic or brand name equivalent of the same medication, not a different drug.

C.S.S.B. 2051 amends current law relating to step therapy protocols required by health benefit plans for coverage of prescription drugs for serious mental illnesses.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 1369, Insurance Code, by adding Section 1369.0547, as follows:

Sec. 1369.0547. STEP THERAPY PROTOCOLS FOR PRESCRIPTION DRUGS TO TREAT SERIOUS MENTAL ILLNESSES. (a) Defines "serious mental illness."

(b) Provides that this section applies only to a drug prescribed to an enrollee who is 18 years of age or older to treat a diagnosis of a serious mental illness.

(c) Prohibits a health benefit plan that provides coverage for prescription drugs to treat a serious mental illness from requiring, before the health benefit plan provides coverage of a prescription drug approved by the United States Food and Drug Administration, that the enrollee:

(1) fail to successfully respond to more than one different drug for each drug prescribed, excluding the generic or pharmaceutical equivalent of the prescribed drug; or

(2) prove a history of failure of more than one different drug for each drug prescribed, excluding the generic or pharmaceutical equivalent of the prescribed drug.

(d) Authorizes a health benefit plan issuer, subject to Section 1369.0546 (Step Therapy Protocol Exception Requests), to implement a step therapy protocol to require a trial of a generic or pharmaceutical equivalent of a prescribed prescription drug as a condition of continued coverage of the prescribed drug only once in a plan year and only if the equivalent drug is added to the plan's drug formulary.

SECTION 2. Makes application of this Act prospective to January 1, 2022.

SECTION 3. Effective date: September 1, 2021.