

By: Price

H.B. No. 1701

A BILL TO BE ENTITLED

AN ACT

relating to pricing of and health benefit plan cost-sharing requirements for prescription insulin.

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

SECTION 1. Section 1358.054(b), Insurance Code, is amended to read as follows:

(b) Except as provided by Section 1358.103(c), a [A] health benefit plan may require a deductible, copayment, or coinsurance for coverage provided under this section. The amount of the deductible, copayment, or coinsurance may not exceed the amount of the deductible, copayment, or coinsurance required for treatment of other analogous chronic medical conditions.

SECTION 2. Chapter 1358, Insurance Code, is amended by adding Subchapter C to read as follows:

SUBCHAPTER C. COST-SHARING LIMIT

Sec. 1358.101. APPLICABILITY OF SUBCHAPTER. (a) This subchapter applies only to a health benefit plan that provides benefits for medical or surgical expenses 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 a small or large employer group contract or similar coverage document that is offered by:

(1) an insurance company;

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

3 (3) a fraternal benefit society operating under
4 Chapter 885;

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

7 (5) a reciprocal exchange operating under Chapter 942;

8 (6) a health maintenance organization operating under
9 Chapter 843;

10 (7) a multiple employer welfare arrangement that holds
11 a certificate of authority under Chapter 846; or

12 (8) an approved nonprofit health corporation that
13 holds a certificate of authority under Chapter 844.

14 (b) This subchapter applies to group health coverage made
15 available by a school district in accordance with Section 22.004,
16 Education Code.

17 (c) Notwithstanding any provision in Chapter 1551, 1575,
18 1579, or 1601 or any other law, this subchapter applies to:

19 (1) a basic coverage plan under Chapter 1551;

20 (2) a basic plan under Chapter 1575;

21 (3) a primary care coverage plan under Chapter 1579;

22 and

23 (4) basic coverage under Chapter 1601.

24 Sec. 1358.102. EXCEPTION. This subchapter does not apply
25 to:

26 (1) a health benefit plan that provides coverage:

27 (A) only for a specified disease or for another

1 single benefit;

2 (B) only for accidental death or dismemberment;

3 (C) for wages or payments in lieu of wages for a
4 period during which an employee is absent from work because of
5 sickness or injury;

6 (D) as a supplement to a liability insurance
7 policy;

8 (E) for credit insurance;

9 (F) only for dental or vision care;

10 (G) only for hospital expenses; or

11 (H) only for indemnity for hospital confinement;

12 (2) a Medicare supplemental policy as defined by
13 Section 1882(g)(1), Social Security Act (42 U.S.C. Section 1395ss);

14 (3) medical payment insurance coverage provided under
15 a motor vehicle insurance policy;

16 (4) a long-term care insurance policy, including a
17 nursing home fixed indemnity policy, unless the commissioner
18 determines that the policy provides benefit coverage so
19 comprehensive that the policy is a health benefit plan as described
20 by Section 1358.101;

21 (5) health and accident coverage provided by a risk
22 pool created under Chapter 172, Local Government Code; or

23 (6) a workers' compensation insurance policy.

24 Sec. 1358.103. LIMIT ON COST-SHARING REQUIREMENT. (a) In
25 this section, "insulin" means a prescription drug that contains
26 insulin, is used to treat diabetes, and is prescribed as medically
27 necessary by a physician.

1 (b) A health benefit plan that provides coverage for insulin
2 may not impose a cost-sharing provision for insulin if the total
3 amount the enrollee is required to pay exceeds \$30 for a 30-day
4 supply, regardless of the amounts, types, or brands of insulin
5 needed to treat the enrollee's diabetes.

6 (c) A health benefit plan that provides coverage for insulin
7 may not impose a deductible applicable to insulin.

8 SECTION 3. (a) In this section, "commission" means the
9 Health and Human Services Commission.

10 (b) The commission shall conduct a study evaluating pricing
11 of prescription insulin drugs to ensure adequate consumer
12 protections in pricing of prescription insulin drugs and consider
13 whether additional consumer protections are necessary.

14 (c) The commission shall request from health benefit plan
15 issuers and prescription drug manufacturers information concerning
16 the organization, business practices, pricing information, data,
17 reports, or other information the commission determines is
18 necessary to conduct the study. The commission shall also consider
19 any publicly available information related to prescription insulin
20 pricing.

21 (d) A health benefit plan issuer or prescription drug
22 manufacturer who receives a request from the commission under
23 Subsection (c) of this section shall furnish the commission with
24 the information as soon as practicable after the date the issuer or
25 manufacturer receives the request.

26 (e) The commission may not require a health benefit plan
27 issuer or prescription drug manufacturer to disclose trade secrets

1 in information provided to the commission under Subsection (d) of
2 this section.

3 (f) Not later than September 1, 2022, the commission shall
4 prepare and submit to the governor, the lieutenant governor, and
5 the speaker of the house of representatives a written report
6 containing the results of the study. The report must include:

7 (1) a summary of insulin pricing practices and
8 variables that contribute to pricing of health benefit plans;

9 (2) policy recommendations to control and prevent
10 overpricing of prescription insulin; and

11 (3) any other information the commission determines is
12 necessary.

13 (g) The commission shall publish the report described by
14 Subsection (f) of this section on its Internet website.

15 (h) This section expires September 1, 2023.

16 SECTION 4. The changes in law made by this Act apply only to
17 a health benefit plan that is delivered, issued for delivery, or
18 renewed on or after January 1, 2022. A health benefit plan
19 delivered, issued for delivery, or renewed before January 1, 2022,
20 is governed by the law as it existed immediately before the
21 effective date of this Act, and that law is continued in effect for
22 that purpose.

23 SECTION 5. This Act takes effect September 1, 2021.