

By: Kolkhorst, et al.

S.B. No. 827

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. 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;

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

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

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

(5) a reciprocal exchange operating under Chapter 942;

(6) a health maintenance organization operating under

1 Chapter 843;

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

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

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

9 (c) Notwithstanding any provision in Chapter 1551, 1575,
10 1579, or 1601 or any other law, this subchapter applies to:

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

12 (2) a basic plan under Chapter 1575;

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

14 and

15 (4) basic coverage under Chapter 1601.

16 (d) Notwithstanding any other law, this subchapter applies
17 to coverage under:

18 (1) the child health plan program under Chapter 62,
19 Health and Safety Code, or the health benefits plan for children
20 under Chapter 63, Health and Safety Code; and

21 (2) the medical assistance program under Chapter 32,
22 Human Resources Code.

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

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

26 (A) only for a specified disease or for another
27 single benefit;

1 (B) only for accidental death or dismemberment;

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

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

7 (E) for credit insurance;

8 (F) only for dental or vision care;

9 (G) only for hospital expenses; or

10 (H) only for indemnity for hospital confinement;

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

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

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

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

22 (6) a workers' compensation insurance policy.

23 Sec. 1358.103. LIMIT ON COST-SHARING REQUIREMENT. (a) In
24 this section, "insulin" means a prescription drug that contains
25 insulin and is used to treat diabetes. The term does not include an
26 insulin drug that is administered to a patient intravenously.

27 (b) A health benefit plan may not impose a cost-sharing

1 provision for insulin if the total amount the enrollee is required
2 to pay exceeds \$50 for a 30-day supply, regardless of the amount or
3 type of insulin needed to fill the enrollee's prescription.

4 SECTION 2. (a) In this section, "commission" means the
5 Health and Human Services Commission.

6 (b) The commission shall conduct a study evaluating pricing
7 of prescription insulin drugs to ensure adequate consumer
8 protections in pricing of prescription insulin drugs and consider
9 whether additional consumer protections are necessary.

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

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

22 (e) The commission may not require a health benefit plan
23 issuer or prescription drug manufacturer to disclose trade secrets
24 in information provided to the commission under Subsection (d) of
25 this section.

26 (f) Not later than September 1, 2022, the commission shall
27 prepare and submit to the governor, the lieutenant governor, and

1 the speaker of the house of representatives a written report
2 containing the results of the study. The report must include:

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

5 (2) policy recommendations to control and prevent
6 overpricing of prescription insulin; and

7 (3) any other information the commission determines is
8 necessary.

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

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

12 SECTION 3. The changes in law made by this Act apply only to
13 a health benefit plan that is delivered, issued for delivery, or
14 renewed on or after January 1, 2022. A health benefit plan
15 delivered, issued for delivery, or renewed before January 1, 2022,
16 is governed by the law as it existed immediately before the
17 effective date of this Act, and that law is continued in effect for
18 that purpose.

19 SECTION 4. This Act takes effect September 1, 2021.