

## **BILL ANALYSIS**

C.S.H.B. 1337  
By: Hull  
Insurance  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Individuals with serious mental illness are a particularly challenging population to treat and keep stable due to comorbid conditions and the unique and often powerful effects of medications prescribed for managing the illness. Failure to adhere to an appropriate medication management plan for an individual with a serious mental illness can lead to a devastating cycle of mental and physical illnesses and an array of complications that increase health care costs and reduce quality of life. Many insurers have implemented step therapy requirements in an effort to utilize alternatives to high-cost prescription drugs before covering a more expensive drug, causing individuals with a mental illness to face a substantially higher risk of being forced to take lower-cost drugs for a certain time that might not work for them before qualifying for a more expensive drug. C.S.H.B. 1337 limits the authority of health benefit plan issuers to require enrollees to complete step therapy protocols before the insurer will provide coverage for certain prescription drugs to treat serious mental illness.

### **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. 1337 amends the Insurance Code to prohibit an applicable health benefit plan that provides coverage for prescription drugs to treat a serious mental illness from requiring an enrollee who is 18 years of age or older to do either of the following before the plan provides coverage of an FDA-approved drug prescribed to treat the enrollee's diagnosed serious mental illness:

- 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
- 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.

C.S.H.B. 1337 also limits an issuer's authority to implement a step therapy protocol for these drugs. The issuer may implement such a protocol to require a trial of a generic or pharmaceutical equivalent of a prescribed prescription drug as a condition of continued coverage of the drug only once in a plan year and only if the generic or pharmaceutical equivalent drug is added to the plan's drug formulary.

C.S.H.B. 1337 applies only to a health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2024.

**EFFECTIVE DATE**

September 1, 2023.

**COMPARISON OF INTRODUCED AND SUBSTITUTE**

C.S.H.B. 1337 differs from the introduced in minor or nonsubstantive ways.