

BILL ANALYSIS

C.S.H.B. 3233
By: Harris
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that pharmacy benefit managers (PBMs) manage prescription drug benefits for health plans, insurers, pharmacies, and drug manufacturers, process prescription drug claims, calculate enrollee out-of-pocket costs, and are responsible for keeping patient data secure. The bill author has also informed the committee that the three largest PBMs account for 80 percent of the PBM market share in the country and that there is a need to secure sensitive patient data from potential foreign threats. C.S.H.B. 3233 seeks to address data and security concerns, secure patient data, and protect Texans' most personal information from being obtained by potentially malevolent foreign groups by prohibiting PBMs from storing or processing patient data for a Texas resident in certain locations outside of the United States.

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. 3233 amends the Insurance Code to prohibit a pharmacy benefit manager from storing or processing patient data for a Texas resident in a location that is in a country the government of which has been determined by the U.S. secretary of state to have repeatedly provided support for acts of international terrorism as designated under one of the following federal acts:

- the Foreign Assistance Act of 1961;
- the Arms Export Control Act; or
- the John S. McCain National Defense Authorization Act for Fiscal Year 2019.

C.S.H.B. 3233 applies only to a contract entered into or renewed on or after the bill's effective date.

EFFECTIVE DATE

September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 3233 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute changes the location in which a pharmacy benefit manager is prohibited from storing or processing patient data for a Texas resident from any location outside of the United States, as in the introduced, to a location that is in a country the government of which has been determined by the U.S. secretary of state to have repeatedly provided support for acts of international terrorism as designated under one of the following federal acts.

- the Foreign Assistance Act of 1961;
- the Arms Export Control Act; or
- the John S. McCain National Defense Authorization Act for Fiscal Year 2019.

The substitute also includes a procedural provision absent from the introduced establishing that the bill's provisions apply only to a contract entered into or renewed on or after the bill's effective date.