

BILL ANALYSIS

Senate Research Center
89R4580 DNC-D

S.B. 1525
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Health & Human Services
4/22/2025
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Prior authorization is a decision by health insurers or plans that determine whether a health care service, treatment plan, prescription drug, or durable medical device is medically necessary. Some health insurance plans require preauthorization for certain services, except in the cases of emergencies. Chronically ill patients in the State of Texas maintain their health, quality of life, and livelihood through medications that allow them to manage their illnesses. Once a patient is stable on medication that must be taken regularly, health benefit plans can still require a prior authorization for that medication, which interrupts the continuity of care and negatively affects a patient's health. Patients stable on their medications should not be subject to prior authorization requirements that interrupt their care and put their health at risk.

This bill would prohibit insurance companies from requiring prior authorization for prescription drugs used to treat chronic health conditions and neurodegenerative diseases to no more than once annually. This would promote continuity of care and allow patients to lead productive lives while managing their illnesses.

Committee Substitute:

- Removes neurodegenerative diseases in the bill.
- Provides clarity that the one year prohibition on requiring prior authorizations are for medications already prescribed to the patient.

As proposed, S.B. 1525 amends current law relating to prior authorization for prescription drug benefits related to the treatment of chronic health conditions.

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 the heading to Subchapter N, Chapter 1369, Insurance Code, to read as follows:

SUBCHAPTER N. COVERAGE OF PRESCRIPTION DRUGS FOR CHRONIC HEALTH CONDITIONS

SECTION 2. Amends Section 1369.651, Insurance Code, as follows:

Sec. 1369.651. New heading: DEFINITIONS. Defines "chronic health condition."

SECTION 3. Amends Section 1369.654(a), Insurance Code, to prohibit a health benefit plan issuer that provides prescription drug benefits from requiring an enrollee to receive more than one prior authorization annually of the prescription drug benefit for a prescription drug prescribed to treat a chronic health condition, including neurodegenerative disease.

SECTION 4. Makes application of this Act prospective to January 1, 2026.

SECTION 5. Effective date: September 1, 2025.