

By: Martinez

H.B. No. 3542

A BILL TO BE ENTITLED

AN ACT

relating to the effect of a pharmacy benefit manager change on prescription drug coverage.

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

SECTION 1. Chapter 1369, Insurance Code, is amended by adding Subchapter A-1 to read as follows:

SUBCHAPTER A-1. CONTINUOUS COVERAGE REQUIREMENTS

Sec. 1369.021. DEFINITION. In this subchapter, "prescription drug" has the meaning assigned by Section 551.003, Occupations Code.

Sec. 1369.022. 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 an individual or group evidence of coverage or similar coverage document that is offered by:

(1) an insurance company;

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

(3) a health maintenance organization operating under Chapter 843;

(4) an approved nonprofit health corporation

1 that holds a certificate of authority under Chapter 844;  
2 (5) a multiple employer welfare arrangement that holds  
3 a certificate of authority under Chapter 846;  
4 (6) a stipulated premium company operating under  
5 Chapter 884;  
6 (7) a fraternal benefit society operating under  
7 Chapter 885;  
8 (8) a Lloyd's plan operating under Chapter 941; or  
9 (9) an exchange operating under Chapter 942.  
10 (b) Notwithstanding any other law, this subchapter applies  
11 to:  
12 (1) a small employer health benefit plan subject to  
13 Chapter 1501, including coverage provided through a health group  
14 cooperative under Subchapter B of that chapter;  
15 (2) a standard health benefit plan issued under  
16 Chapter 1507;  
17 (3) a basic coverage plan under Chapter 1551;  
18 (4) a basic plan under Chapter 1575;  
19 (5) a primary care coverage plan under Chapter 1579;  
20 (6) a plan providing basic coverage under Chapter  
21 1601;  
22 (7) nonprofit agricultural organization health  
23 benefits offered by a nonprofit agricultural organization under  
24 Chapter 1682;  
25 (8) alternative health benefit coverage offered by a  
26 subsidiary of the Texas Mutual Insurance Company under Subchapter  
27 M, Chapter 2054;

1           (9) health benefits provided by or through a church  
2 benefits board under Subchapter I, Chapter 22, Business  
3 Organizations Code;

4           (10) group health coverage made available by a school  
5 district in accordance with Section 22.004, Education Code;

6           (11) the state Medicaid program, including the  
7 Medicaid managed care program operated under Chapter 540,  
8 Government Code;

9           (12) the child health plan program under Chapter 62,  
10 Health and Safety Code;

11           (13) a regional or local health care program operated  
12 under Section 75.104, Health and Safety Code;

13           (14) a self-funded health benefit plan sponsored by a  
14 professional employer organization under Chapter 91, Labor Code;

15           (15) county employee group health benefits provided  
16 under Chapter 157, Local Government Code; and

17           (16) health and accident coverage provided by a risk  
18 pool created under Chapter 172, Local Government Code.

19           Sec. 1369.023. EFFECT OF PHARMACY BENEFIT MANAGER CHANGE ON  
20 PRESCRIPTION DRUG COVERAGE. A health benefit plan may not deny or  
21 limit an enrollee's coverage of a prescription drug solely because  
22 of a change in the plan's pharmacy benefit manager.

23           SECTION 2. If before implementing any provision of this Act  
24 a state agency determines that a waiver or authorization from a  
25 federal agency is necessary for implementation of that provision,  
26 the agency affected by the provision shall request the waiver or  
27 authorization and may delay implementing that provision until the

1 waiver or authorization is granted.

2           SECTION 3. The changes in law made by this Act apply only to  
3 a health benefit plan delivered, issued for delivery, or renewed on  
4 or after January 1, 2026.

5           SECTION 4. This Act takes effect September 1, 2025.