

By: Hughes

S.B. No. 1287

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the effect of certain reductions in a health benefit  
3 plan enrollee's out-of-pocket expenses for prescription drugs that  
4 are essential health benefits on the enrollee's cost-sharing  
5 requirements.

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

7 SECTION 1. Section [1369.0542](#), Insurance Code, is amended by  
8 amending Subsection (a) and adding Subsection (c) to read as  
9 follows:

10 (a) Subsection (b) [~~This section~~] applies only to a  
11 reduction in out-of-pocket expenses made by or on behalf of an  
12 enrollee for a prescription drug covered by the enrollee's health  
13 benefit plan for which:

14 (1) a generic equivalent does not exist;

15 (2) a generic equivalent does exist but the enrollee  
16 has obtained access to the prescription drug under the enrollee's  
17 health benefit plan using:

18 (A) a prior authorization process;

19 (B) a step therapy protocol; or

20 (C) the health benefit plan issuer's exceptions  
21 and appeals process;

22 (3) an interchangeable biological product does not  
23 exist; or

24 (4) an interchangeable biological product does exist

1 but the enrollee has obtained access to the prescription drug under  
2 the enrollee's health benefit plan using:

- 3 (A) a prior authorization process;
- 4 (B) a step therapy protocol; or
- 5 (C) the health benefit plan issuer's exceptions  
6 and appeals process.

7 (c) An issuer of a health benefit plan that covers  
8 prescription drugs, pharmacy benefit manager, or subcontractor  
9 shall apply any reduction in out-of-pocket expenses made on behalf  
10 of an enrollee for a prescription drug that is included within a  
11 category of essential health benefits under 42 U.S.C. Section  
12 18022(b)(1), regardless of whether the health benefit plan issuer,  
13 pharmacy benefit manager, or subcontractor classifies the drug as  
14 an essential health benefit, to the enrollee's deductible,  
15 copayment, cost-sharing responsibility, or out-of-pocket maximum  
16 applicable to health benefits under the enrollee's plan. In this  
17 subsection, "subcontractor" means a person or entity, other than an  
18 employee of a health benefit plan issuer or pharmacy benefit  
19 manager, to whom the health benefit plan issuer or pharmacy benefit  
20 manager delegates the performance of a function, activity, or  
21 service.

22 SECTION 2. Section [1369.0542](#), Insurance Code, as amended by  
23 this Act, applies only to a health benefit plan that is delivered,  
24 issued for delivery, or renewed on or after January 1, 2026. A  
25 health benefit plan delivered, issued for delivery, or renewed  
26 before January 1, 2026, is governed by the law as it existed  
27 immediately before the effective date of this Act, and that law is

1 continued in effect for that purpose.

2 SECTION 3. This Act takes effect September 1, 2025.