

By: Blanco, et al.
(Talarico)

S.B. No. 2857

A BILL TO BE ENTITLED

AN ACT

relating to a prescription drug purchasing pool for certain health benefit plan issuers and employers.

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

SECTION 1. Subtitle A, Title 6, Health and Safety Code, is amended by adding Chapter 446 to read as follows:

CHAPTER 446. PRESCRIPTION DRUG PURCHASING POOL

Sec. 446.001. DEFINITIONS. In this chapter:

(1) "Commission" means the Health and Human Services Commission.

(2) "Health benefit plan issuer" means an insurer, health maintenance organization, or other entity authorized to provide health benefits coverage under the laws of this state.

(3) "Participant" means a health benefit plan issuer, qualified public employer, or qualified private employer enrolled in the prescription drug purchasing pool.

(4) "Qualified private employer" means a self-insured private employer conducting business in this state.

(5) "Qualified public employer" means:

(A) a political subdivision of this state, including a county, municipality, or public school district;

(B) a university system or an institution of higher education, as those terms are defined by Section 61.003, Education Code; or

1 (C) a quasi-public agency.

2 Sec. 446.002. PRESCRIPTION DRUG PURCHASING POOL. (a) The
3 commission shall establish a prescription drug purchasing pool
4 through which a participating health benefit plan issuer, qualified
5 public employer, or qualified private employer may purchase
6 prescription drugs for their employees, employees' dependents, and
7 retirees from vendors at a discounted rate or under terms the
8 commission negotiates.

9 (b) The prescription drug purchasing pool does not
10 constitute a risk pool, and each health benefit plan issuer,
11 qualified public employer, and qualified private employer
12 participating in the pool is responsible for paying the cost of a
13 claim or prescription drug in accordance with any applicable health
14 benefit coverage agreement with their employees, employees'
15 dependents, and retirees.

16 Sec. 446.003. ADMINISTRATION OF PRESCRIPTION DRUG
17 PURCHASING POOL. The executive commissioner by rule shall
18 establish procedures for administering the prescription drug
19 purchasing pool, including procedures establishing:

20 (1) the eligibility criteria for a health benefit plan
21 issuer, qualified public employer, or qualified private employer to
22 participate in the pool;

23 (2) the manner by which a health benefit plan issuer,
24 qualified public employer, or qualified private employer may enroll
25 in the pool;

26 (3) the duration of eligibility for a health benefit
27 plan issuer, qualified public employer, or qualified private

1 employer to participate in the pool;

2 (4) the method by which a participant contributes
3 money to the pool; and

4 (5) the method for disenrolling a participant from the
5 pool or terminating a participant's eligibility to participate in
6 the pool.

7 Sec. 446.004. OPTIONAL STOP LOSS COVERAGE. The commission
8 shall provide a participant the option to purchase stop loss
9 coverage from an insurer at a rate the commission negotiates.

10 Sec. 446.005. MULTIPLE EMPLOYER PRESCRIPTION DRUG
11 PURCHASING AGREEMENTS. (a) Two or more participants may jointly
12 purchase through the prescription drug purchasing pool
13 prescription drugs for their employees, employees' dependents, and
14 retirees.

15 (b) An arrangement to jointly purchase prescription drugs
16 under this section does not constitute a multiple employer welfare
17 arrangement, as defined by Section 846.001, Insurance Code.

18 Sec. 446.006. RULES. The executive commissioner shall
19 adopt rules as necessary to implement this chapter.

20 SECTION 2. As soon as practicable after the effective date
21 of this Act, the Health and Human Services Commission shall
22 establish the prescription drug purchasing pool as required by
23 Chapter 446, Health and Safety Code, as added by this Act.

24 SECTION 3. The Health and Human Services Commission is
25 required to implement a provision of this Act only if the
26 legislature appropriates money specifically for that purpose. If
27 the legislature does not appropriate money specifically for that

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1 purpose, the commission may, but is not required to, implement a
2 provision of this Act using other money available for that purpose.

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