By: Blanco S.B. No. 271

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 447 to read as follows:

CHAPTER 447. PRESCRIPTION DRUG PURCHASING POOL

Sec. 447.001. 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 established under Section 447.002.

(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

(C) a quasi-public agency.

Sec. 447.002. PRESCRIPTION DRUG PURCHASING POOL. (a) The commission shall establish a prescription drug purchasing pool through which a participating health benefit plan issuer, qualified public employer, or qualified private employer may purchase prescription drugs for their employees, employees' dependents, and retirees from vendors at a discounted rate or under terms the commission negotiates.

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

Sec. 447.003. ADMINISTRATION OF PRESCRIPTION DRUG PURCHASING POOL. The executive commissioner by rule shall establish procedures for administering the prescription drug purchasing pool, including procedures establishing:

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

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

(3) the duration of eligibility for a health benefit

plan issuer, qualified public employer, or qualified private employer to participate in the pool;

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

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

Sec. 447.004. OPTIONAL STOP LOSS COVERAGE. The commission shall provide a participant the option to purchase stop loss coverage from an insurer at a rate the commission negotiates.

Sec. 447.005. MULTIPLE EMPLOYER PRESCRIPTION DRUG PURCHASING AGREEMENTS. (a) Two or more participants may jointly purchase through the prescription drug purchasing pool prescription drugs for their employees, employees' dependents, and retirees.

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

Sec. 447.006. RULES. The executive commissioner shall adopt rules as necessary to implement this chapter.

SECTION 2. As soon as practicable after the effective date of this Act, the Health and Human Services Commission shall establish the prescription drug purchasing pool as required by Chapter 447, Health and Safety Code, as added by this Act.

SECTION 3. The Health and Human Services Commission is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If

the legislature does not appropriate money specifically for that purpose, the commission may, but is not required to, implement a provision of this Act using other money available for that purpose.

SECTION 4. This Act takes effect September 1, 2027.