

AN ACT

relating to the transparency of certain information related to prescription drug coverage provided by certain health benefit plans.

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

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

SUBCHAPTER B-1. TRANSPARENCY REQUIREMENTS FOR CERTAIN INDIVIDUAL HEALTH BENEFIT PLANS

Sec. 1369.076. DEFINITIONS. In this subchapter, terms defined by Subchapter B have the meanings assigned by that subchapter.

Sec. 1369.077. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to an individual health benefit plan to which Subchapter B applies.

SECTION 2. Sections 1369.0542 through 1369.0544, Insurance Code, are transferred to Subchapter B-1, Chapter 1369, Insurance Code, as added by this Act, redesignated as Sections 1369.078 through 1369.080, Insurance Code, and amended to read as follows:

Sec. 1369.078 [~~1369.0542~~]. FORMULARY INFORMATION ON INTERNET WEBSITE. (a) A health benefit plan issuer shall display on a public Internet website maintained by the issuer formulary information for each of the issuer's individual health benefit plans as required by the commissioner by rule.

1 (b) A direct electronic link to the formulary information
2 must be displayed in a conspicuous manner in the electronic summary
3 of benefits and coverage of each individual health benefit plan
4 issued by the health benefit plan issuer on the health benefit plan
5 issuer's Internet website. The information must be publicly
6 accessible to enrollees, prospective enrollees, and others without
7 necessity of providing a password, a user name, or personally
8 identifiable information.

9 Sec. 1369.079 [~~1369.0543~~]. FORMULARY DISCLOSURE
10 REQUIREMENTS. (a) The commissioner shall develop and adopt by rule
11 requirements to promote consistency and clarity in the disclosure
12 of formularies to facilitate comparison shopping among individual
13 health benefit plans.

14 (b) The requirements adopted under Subsection (a) must
15 apply to each prescription drug:

16 (1) included in a formulary and dispensed in a network
17 pharmacy; or

18 (2) covered under an individual [~~a~~] health benefit
19 plan and typically administered by a physician or health care
20 provider.

21 (c) The formulary disclosures must:

22 (1) be electronically searchable by drug name;

23 (2) include for each drug the information required by
24 Subsection (d) in the order listed in that subsection; and

25 (3) indicate each formulary that applies to each
26 individual health benefit plan issued by the issuer.

27 (d) The formulary disclosures must include for each drug:

1 (1) the cost-sharing amount for each drug, including
2 as applicable:

3 (A) the dollar amount of a copayment; or

4 (B) for a drug subject to coinsurance:

5 (i) an enrollee's cost-sharing amount
6 stated in dollars; or

7 (ii) a cost-sharing range, denoted as
8 follows:

9 (a) under \$100 - \$;

10 (b) \$100-\$250 - \$\$;

11 (c) \$251-\$500 - \$\$\$;

12 (d) \$501-\$1,000 - \$\$\$\$; or

13 (e) over \$1,000 - \$\$\$\$\$;

14 (2) a disclosure of prior authorization, step therapy,
15 or other protocol requirements for each drug;

16 (3) if the individual health benefit plan uses a
17 tier-based formulary, the specific tier for each drug listed in the
18 formulary;

19 (4) a description of how prescription drugs will
20 specifically be included in or excluded from the deductible,
21 including a description of out-of-pocket costs for a prescription
22 drug that may not apply to the deductible;

23 (5) identification of preferred formulary drugs; and

24 (6) an explanation of coverage of each formulary drug.

25 (e) The commissioner by rule may allow an alternative method
26 of making disclosures required under Subsection (d)(1) relating to
27 cost-sharing through a web-based tool that must:

1 (1) be publicly accessible to enrollees, prospective
2 enrollees, and others without necessity of providing a password, a
3 user name, or personally identifiable information;

4 (2) allow consumers to electronically search
5 formulary information by the name under which the individual health
6 benefit plan is marketed; and

7 (3) be accessible through a direct link that is
8 displayed on each page of the formulary disclosure that lists each
9 drug as required under Subsection (c).

10 Sec. 1369.080 [~~1369.0544~~]. FORMULARY INFORMATION PROVIDED
11 BY TOLL-FREE TELEPHONE NUMBER. In addition to providing the
12 information described by Section 1369.079(d)(1) in the manner
13 required by Section 1369.079 [~~1369.0543(d)(1)~~], a health benefit
14 plan issuer may make the information available to enrollees,
15 prospective enrollees, and others through a toll-free telephone
16 number that operates at least during normal business hours.

17 SECTION 3. The changes in law made by this Act apply only to
18 a health benefit plan that is delivered, issued for delivery, or
19 renewed on or after September 1, 2017. A health benefit plan
20 delivered, issued for delivery, or renewed before September 1,
21 2017, is governed by the law as it existed immediately before the
22 effective date of this Act, and that law is continued in effect for
23 that purpose.

24 SECTION 4. This Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I certify that H.B. No. 1227 was passed by the House on April 6, 2017, by the following vote: Yeas 144, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1227 was passed by the Senate on May 12, 2017, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor