

Chapter 1007

H.B. No. 1296

1 AN ACT

2 relating to health benefit coverage for prescription drug
3 synchronization.

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

5 SECTION 1. Chapter 1369, Insurance Code, is amended by
6 adding Subchapter J to read as follows:

7 SUBCHAPTER J. COVERAGE RELATED TO PRESCRIPTION DRUG

8 SYNCHRONIZATION

9 Sec. 1369.451. DEFINITIONS. In this subchapter:

10 (1) "Cost-sharing amount" includes an amount charged
11 for a deductible, coinsurance, or copayment.

12 (2) "Health care provider" means a person who provides
13 health care services under a license, certificate, registration, or
14 other similar evidence of regulation issued by this or another
15 state of the United States.

16 (3) "Physician" means an individual licensed to
17 practice medicine in this or another state of the United States.

18 Sec. 1369.452. APPLICABILITY OF SUBCHAPTER. (a) This
19 subchapter applies only to a health benefit plan that provides
20 benefits for medical or surgical expenses incurred as a result of a
21 health condition, accident, or sickness, including an individual,
22 group, blanket, or franchise insurance policy or insurance
23 agreement, a group hospital service contract, or an individual or
24 group evidence of coverage or similar coverage document that is

1 offered by:

2 (1) an insurance company;

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

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

7 (4) an approved nonprofit health corporation that
8 holds a certificate of authority under Chapter 844;

9 (5) a multiple employer welfare arrangement that holds
10 a certificate of authority under Chapter 846;

11 (6) a stipulated premium company operating under
12 Chapter 884;

13 (7) a fraternal benefit society operating under
14 Chapter 885; or

15 (8) an exchange operating under Chapter 942.

16 (b) This subchapter applies to group health coverage made
17 available by a school district in accordance with Section 22.004,
18 Education Code.

19 (c) Notwithstanding any provision in Chapter 1551, 1575,
20 1579, or 1601 or any other law, this subchapter applies to health
21 benefit plan coverage provided under:

22 (1) Chapter 1551;

23 (2) Chapter 1575;

24 (3) Chapter 1579; and

25 (4) Chapter 1601.

26 (d) Notwithstanding Section 1501.251 or any other law, this
27 subchapter applies to coverage under a small employer health

1 benefit plan subject to Chapter 1501.

2 (e) This subchapter applies to a standard health benefit
3 plan issued under Chapter 1507.

4 (f) To the extent allowed by federal law, the child health
5 plan program operated under Chapter 62, Health and Safety Code, and
6 the state Medicaid program, including the Medicaid managed care
7 program operated under Chapter 533, Government Code, shall provide
8 the coverage required under this subchapter to a recipient.

9 Sec. 1369.453. APPLICABILITY TO CERTAIN MEDICATIONS. This
10 subchapter applies with respect to only a medication that:

11 (1) is covered by the enrollee's health benefit plan;
12 (2) meets the prior authorization criteria
13 specifically applicable to the medication under the health benefit
14 plan on the date the request for synchronization is made;

15 (3) is used for treatment and management of a chronic
16 illness, as that term is defined by Section 1369.456;

17 (4) may be prescribed with refills;

18 (5) is a formulation that can be effectively dispensed
19 in accordance with the medication synchronization plan described by
20 Section 1369.456; and

21 (6) is not, according to the schedules established by
22 the commissioner of the Department of State Health Services under
23 Chapter 481, Health and Safety Code:

24 (A) a Schedule II controlled substance; or

25 (B) a Schedule III controlled substance
26 containing hydrocodone.

27 Sec. 1369.454. PRORATION OF COST-SHARING AMOUNT REQUIRED.

1 (a) A health benefit plan that provides benefits for prescription
2 drugs shall prorate any cost-sharing amount charged for a partial
3 supply of a prescription drug if:

4 (1) the pharmacy or the enrollee's prescribing
5 physician or health care provider notifies the health benefit plan
6 that:

7 (A) the quantity dispensed is to synchronize the
8 dates that the pharmacy dispenses the enrollee's prescription
9 drugs; and

10 (B) the synchronization of the dates is in the
11 best interest of the enrollee; and

12 (2) the enrollee agrees to the synchronization.

13 (b) The proration described by Subsection (a) must be based'
14 on the number of days' supply of the drug actually dispensed.

15 Sec. 1369.455. PRORATION OF DISPENSING FEE PROHIBITED. A
16 health benefit plan that prorates a cost-sharing amount as required
17 by Section 1369.454 may not prorate the fee paid to the pharmacy for
18 dispensing the drug for which the cost-sharing amount was prorated.

19 Sec. 1369.456. IMPLEMENTATION OF CERTAIN MEDICATION
20 SYNCHRONIZATION PLANS. (a) For the purposes of this section:

21 (1) "Chronic illness" means an illness or physical
22 condition that may be:

23 (A) reasonably expected to continue for an
24 uninterrupted period of at least three months; and

25 (B) controlled but not cured by medical
26 treatment.

27 (2) "Medication synchronization plan" means a plan

1 established for the purpose of synchronizing the filling or
2 refilling of multiple prescriptions.

3 (b) A health benefit plan shall establish a process through
4 which the following parties may jointly approve a medication
5 synchronization plan for medication to treat an enrollee's chronic
6 illness:

- 7 (1) the health benefit plan;
8 (2) the enrollee;
9 (3) the prescribing physician or health care provider;

10 and

- 11 (4) a pharmacist.

12 (c) A health benefit plan shall provide coverage for a
13 medication dispensed in accordance with the dates established in
14 the medication synchronization plan described by Subsection (b).

15 (d) A health benefit plan shall establish a process that
16 allows a pharmacist or pharmacy to override the health benefit
17 plan's denial of coverage for a medication described by Subsection
18 (b).

19 (e) A health benefit plan shall allow a pharmacist or
20 pharmacy to override the health benefit plan's denial of coverage
21 through the process described by Subsection (d), and the health
22 benefit plan shall provide coverage for the medication if:

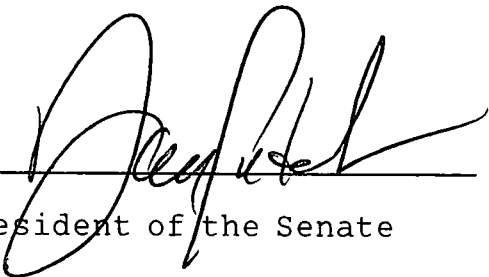
- 23 (1) the prescription for the medication is being
24 refilled in accordance with the medication synchronization plan
25 described by Subsection (b); and

- 26 (2) the reason for the denial is that the prescription
27 is being refilled before the date established by the plan's general

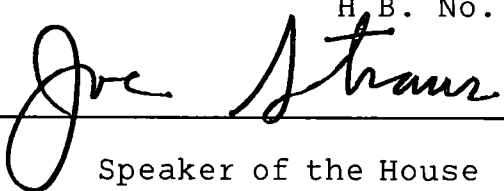
1 prescription refill guidelines.

2 SECTION 2. This Act applies only to a health benefit plan
3 that is delivered, issued for delivery, or renewed on or after
4 January 1, 2018. A health benefit plan delivered, issued for
5 delivery, or renewed before January 1, 2018, is governed by the law
6 as it existed immediately before the effective date of this Act, and
7 that law is continued in effect for that purpose.

8 SECTION 3. This Act takes effect September 1, 2017.

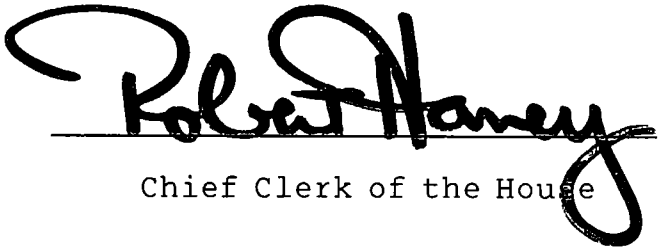


President of the Senate

H. B. No. 1296


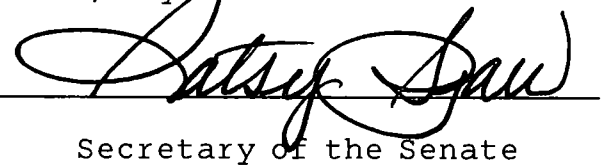
Speaker of the House

I certify that H.B. No. 1296 was passed by the House on May 3, 2017, by the following vote: Yeas 135, Nays 12, 1 present, not voting.



Chief Clerk of the House

I certify that H.B. No. 1296 was passed by the Senate on May 23, 2017, by the following vote: Yeas 29, Nays 2.




Secretary of the Senate

APPROVED: 6-13-2017
Date



Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3 PM O'CLOCK

JUN 15 2017


Secretary of State

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 16, 2017

TO: Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1296 by Frullo (Relating to health benefit coverage for prescription drug synchronization.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to health benefit coverage for prescription drug synchronization.

It is assumed that all duties and responsibilities necessary to implement the provisions of the bill could be accomplished utilizing existing staff and resources, based on information provided by the Texas Department of Insurance, Teacher Retirement System, Employees Retirement System, Health and Human Services Commission, Texas A&M University System Administration, and UT System Administration.

Based on current drug utilization, there could be some increased costs to certain health care plans.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance, 529 Health and Human Services Commission, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

LBB Staff: UP, CL, TSI, AG, AM, ESC, CP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 13, 2017

TO: Honorable Larry Phillips, Chair, House Committee on Insurance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1296** by Frullo (Relating to health benefit coverage for prescription drug synchronization.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
--

The bill would amend the Insurance Code relating to health benefit coverage for prescription drug synchronization.

It is assumed that all duties and responsibilities necessary to implement the provisions of the bill could be accomplished utilizing existing staff and resources, based on information provided by the Texas Department of Insurance, Teacher Retirement System, Employees Retirement System, Health and Human Services Commission, Texas A&M University System Administration, and UT System Administration.

Based on current drug utilization, there could be some increased costs to certain health care plans.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance, 529 Health and Human Services Commission, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

LBB Staff: UP, AG, AM, TSI, ESC, CP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 3, 2017

TO: Honorable Larry Phillips, Chair, House Committee on Insurance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1296 by Frullo (Relating to health benefit coverage for prescription drug synchronization.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to health benefit coverage for prescription drug synchronization.

It is assumed that all duties and responsibilities necessary to implement the provisions of the bill could be accomplished utilizing existing staff and resources, based on information provided by the Texas Department of Insurance, Teacher Retirement System, Employees Retirement System, Health and Human Services Commission, Texas A&M University System Administration, and UT System Administration.

Based on current drug utilization, there could be some increased costs to certain health care plans.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance, 529 Health and Human Services Commission, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

LBB Staff: UP, AG, AM, TSI, CP, KFa