

1 AN ACT

2 relating to outpatient drug benefit coverage in certain health  
3 insurance policies and discount drug programs.

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

5 SECTION 1. Article 3.74, Insurance Code, is amended by  
6 adding Section 3B to read as follows:

7 Sec. 3B. OUTPATIENT PRESCRIPTION DRUG BENEFIT COVERAGE.

8 (a) An insurer or other entity described by Section 1(a) of this  
9 article that issues a Medicare supplement policy in this state may  
10 offer a group or individual policyholder:

11 (1) an outpatient prescription drug benefit plan  
12 authorized under 42 U.S.C. Section 1395ss; or

13 (2) a new or innovative outpatient prescription drug  
14 benefit plan filed with and approved by the commissioner under  
15 Section 2(b) of this article.

16 (b) The commissioner shall approve or disapprove an  
17 outpatient drug benefit plan described by Subsection (a) of this  
18 section that is filed for approval under Section 2(b) of this  
19 article not later than the 60th day after the date the insurer or  
20 other entity files the plan with the department. A drug benefit  
21 plan that has not been approved or disapproved by the commissioner  
22 before the 61st day after the date the plan is filed with the  
23 department is deemed approved on that day.

24 (c) An insurer or other entity described by Section 1(a) of

1 this article may offer participation in a prescription drug  
2 discount program in connection with the solicitation of an  
3 application for issuance of a Medicare supplement policy. For  
4 purposes of this subsection, "prescription drug discount program"  
5 means any program that entitles a participant to purchase  
6 prescription drugs or other medical supplies and services from  
7 vendors at a discount pursuant to an agreement made with a  
8 participating pharmacy.

9 (d) An offer of participation in a prescription drug  
10 discount program described by Subsection (c) is not a violation of  
11 Section 21.21 of this code or any other law prohibiting the offer of  
12 rebates in the solicitation of insurance policies.

13 SECTION 2. This Act takes effect September 1, 2003, and  
14 applies only to a Medicare supplement policy that is delivered,  
15 issued for delivery, or renewed on or after January 1, 2004, and to  
16 an offer of participation in a prescription drug discount program  
17 made on or after January 1, 2004. A Medicare supplement policy that  
18 is delivered, issued for delivery, or renewed, or an offer of  
19 participation made, before January 1, 2004, is governed by the law  
20 as it existed immediately before the effective date of this Act, and  
21 that law is continued in effect for that purpose.

David Dewhurst

President of the Senate

Jim Caddick

Speaker of the House

I certify that H.B. No. 1268 was passed by the House on April 30, 2003, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 1268 on May 30, 2003, by a non-record vote.

Robert Haney  
Chief Clerk of the House

I certify that H.B. No. 1268 was passed by the Senate, with amendments, on May 28, 2003, by a viva-voce vote.

Patricia Spaul  
Secretary of the Senate

APPROVED: 20 JUN '03

Date

Rick Perry

Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 PM O'CLOCK

JUN 20 2003  
Heather Shea  
Secretary of State