

## BILL ANALYSIS

C.S.H.B. 1227  
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Insurance  
Committee Report (Substituted)

### BACKGROUND AND PURPOSE

Concerns have been raised that the applicability of certain drug formulary disclosure requirements passed in a recent legislature requires clarification. C.S.H.B. 1227 seeks to address this issue by specifying that these disclosure requirements apply to the individual health insurance market.

### CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### ANALYSIS

C.S.H.B. 1227 amends the Insurance Code to make the requirement for a health benefit plan issuer to display drug formulary information on a public website maintained by the issuer, as required by the commissioner of insurance by rule, applicable to the display of that information for each of the issuer's individual health benefit plans that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness.

### EFFECTIVE DATE

September 1, 2017.

### COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1227 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

#### INTRODUCED

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

SUBCHAPTER B-1. TRANSPARENCY REQUIREMENTS FOR CERTAIN

#### HOUSE COMMITTEE SUBSTITUTE

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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 a health benefit plan that:

(1) provides prescription drug coverage under an individual health benefit plan to which Subchapter B applies; and

(2) uses one or more drug formularies to specify the prescription drugs covered under the plan.

SECTION 2. Sections 1369.0542 through 1369.0544, Insurance Code, are transferred to Subchapter B-1, Insurance Code, redesignated as Sections 1369.078 through 1369.080, and amended.

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

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

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. Same as introduced version except for recitation.

SECTION 3. Same as introduced version.

SECTION 4. Same as introduced version.