

BILL ANALYSIS

Senate Research Center
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S.B. 888
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Pill splitting is a prescription drug cost-saving strategy that involves dispensing half as many pills at twice the dose for a lower price and then splitting those pills. In fiscal years 2006 and 2007, more than 350,000 Texas state employees used medications suitable for pill splitting.

As proposed, S.B. 888 requires the Employees Retirement System, the Teacher Retirement System, The University of Texas System, and The Texas A&M University System to establish voluntary pill splitting programs with mandatory copayment reductions for participants.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the board of trustees administering the Employees Retirement System of Texas in SECTION 1 (Section 1551.225, Insurance Code) of this bill.

Rulemaking authority is expressly granted to the Teacher Retirement System of Texas in SECTION 2 (Section 1575.171, Insurance Code) and SECTION 3 (Section 1579.109, Insurance Code) of this bill.

Rulemaking authority is expressly granted to The University of Texas System and The Texas A&M University System in SECTION 4 (Section 1601.111, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter E, Chapter 1551, Insurance Code, by adding Section 1551.225, as follows:

Sec. 1551.225. ESTABLISHMENT OF PILL SPLITTING PROGRAM. (a) Defines "eligible prescription pill" and "pill splitting."

(b) Requires the board of trustees established under Chapter 815 (Administration), Government Code, to administer the Employees Retirement System of Texas (board) by rule to design and establish a voluntary pill splitting program. Requires that the pill splitting program:

(1) include a copayment reduction incentive for individuals covered by the group benefits program who participate in the pill splitting program; and

(2) require an individual who participates in the pill splitting program to obtain a prescription for an eligible prescription pill authorizing pill splitting from the prescribing physician before participating and personally split the eligible prescription pill.

(c) Requires the board to establish a list of eligible prescription pills and requires the board to periodically update the list.

(d) Requires the board to report at least annually to the Legislative Budget Board (LBB) and the governor on the design of the pill splitting program, the medications included on the list of eligible prescription pills, participation in the program, and cost savings resulting from the program.

SECTION 2. Amends Subchapter D, Chapter 1575, Insurance Code, by adding Section 1575.171, as follows:

Sec. 1575.171. ESTABLISHMENT OF PILL SPLITTING PROGRAM. (a) Defines "eligible prescription pill" and "pill splitting."

(b) Requires the Teacher Retirement System of Texas (TRS) by rule to design and establish a voluntary pill splitting program. Requires that the pill splitting program:

(1) include a copayment reduction incentive for individuals covered by the group program who participate in the pill splitting program; and

(2) require an individual who participates in the pill splitting program to obtain a prescription for an eligible prescription pill authorizing pill splitting from the prescribing physician before participating and personally split the eligible prescription pill.

(c) Requires TRS to establish a list of eligible prescription pills and requires TRS to periodically update the list.

(d) Requires TRS to report at least annually to the LBB and the governor on the design of the pill splitting program, medications included on the list of eligible prescription pills, participation in the program, and cost savings resulting from the program.

SECTION 3. Amends Subchapter C, Chapter 1579, Insurance Code, by adding Section 1579.109, as follows:

Sec. 1579.109. ESTABLISHMENT OF PILL SPLITTING PROGRAM. (a) Defines "eligible prescription pill" and "pill splitting."

(b) Requires TRS by rule to design and establish a voluntary pill splitting program. Requires that the pill splitting program:

(1) include a copayment reduction incentive for individuals covered by a health coverage plan under this subchapter who participate in the pill splitting program; and

(2) require an individual who participates in the pill splitting program to obtain a prescription for an eligible prescription pill authorizing pill splitting from the prescribing physician before participating and personally split the eligible prescription pill.

(c) Requires TRS to establish a list of eligible prescription pills and requires TRS to periodically update the list.

(d) Requires TRS to report at least annually to the LBB and the governor on the design of the pill splitting program, medications included in the list of eligible prescription pills, participation in the pill splitting program, and cost savings resulting from the pill splitting program.

SECTION 4. Amends Subchapter C, Chapter 1601, Insurance Code, by adding Section 1601.111, as follows:

Sec. 1601.111. ESTABLISHMENT OF PILL SPLITTING PROGRAM. (a) Defines "eligible prescription pill" and "pill splitting."

(b) Requires The University of Texas System (UT System) and The Texas A&M University System (TAMU System) by rule to each design and establish a voluntary pill splitting program. Requires that the pill splitting program:

(1) include a copayment reduction incentive for individuals covered by a health benefit plan provided under this chapter who participate in the program; and

(2) require an individual who participates in the pill splitting program to obtain a prescription for an eligible prescription pill authorizing pill splitting from the prescribing physician before participating and personally split the eligible prescription pill.

(c) Requires the UT System and the TAMU System to each establish a list of eligible prescription pills and requires each to periodically update the list.

(d) Requires the UT System and the TAMU System to each report at least annually to the LBB and the governor on the design of the pill splitting program, medications included in the list of eligible prescription pills, participation in the program, and cost savings resulting from the program.

SECTION 5. Provides that the initial reports required by Sections 1551.225(d), 1575.171(d), 1579.109(d), and 1601.111(d), Insurance Code, as added by this Act, are due not later than December 1, 2010.

SECTION 6. Makes application of the changes in law made by this Act prospective to the beginning of the 2009-2010 plan year only for health benefit plans provided under Chapters 1551 (Texas Employees Group Benefits Act), 1575 (Texas Public School Employees Group Benefits Program), 1579 (Texas School Employees Uniform Group Health Coverage), and 1601 (Uniform Insurance Benefits Act for Employees of The University of Texas System and The Texas A&M University System), Insurance Code.

SECTION 7. Effective date: upon passage or September 1, 2009.