

## **BILL ANALYSIS**

Senate Research Center  
85R16839 PMO-D

H.B. 1227  
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Business & Commerce  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

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

H.B. 1227 amends current law relating to the transparency of certain information related to prescription drug coverage provided by certain health benefit plans.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the commissioner of insurance is modified in SECTION 2 (Sections 1369.078 and 1369.079, Insurance Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 1369, Insurance Code, by adding Subchapter B-1, as follows:

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

Sec. 1369.076. DEFINITIONS. Provides that, in this subchapter, terms defined by Subchapter B (Coverage of Prescription Drugs Specified by Drug Formulary) have the meanings assigned by that subchapter.

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

SECTION 2. Transfers Sections 1369.0542 through 1369.0544, Insurance Code, to Subchapter B-1, Chapter 1369, Insurance Code, as added by this Act, redesignates them as Sections 1369.078 through 1369.080, Insurance Code, and amends them, as follows:

Sec. 1369.078. FORMULARY INFORMATION ON INTERNET WEBSITE. (a) Requires a health benefit plan issuer (issuer) to 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 of insurance (commissioner) by rule.

(b) Changes a reference to a health benefit plan to an individual health benefit plan.

Sec. 1369.079. FORMULARY DISCLOSURE REQUIREMENTS. Makes conforming changes.

Sec. 1369.080. FORMULARY INFORMATION PROVIDED BY TOLL-FREE TELEPHONE NUMBER. Authorizes an issuer, in addition to providing the information described by Section 1369.079(d)(1) (relating to requiring that the formulary disclosures for each drug include certain cost-sharing amounts for each drug) in the manner required by Section 1369.079, rather than in the information described by Section

1369.0543(d)(1), to make the information available to enrollees, prospective enrollees, and others through a toll-free telephone number that operates at least during normal business hours.

SECTION 3. Makes application of this Act prospective to September 1, 2017.

SECTION 4. Effective date: September 1, 2017.