

BILL ANALYSIS

Senate Research Center

H.B. 1584
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 1584 amends current law relating to health benefit plan coverage of prescription drugs for stage-four advanced, metastatic cancer.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

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

SUBCHAPTER E-1. COVERAGE OF PRESCRIPTION DRUGS FOR STAGE-FOUR ADVANCED, METASTATIC CANCER

Sec. 1369.211. DEFINITIONS. Defines "associated conditions" and "stage-four advanced, metastatic cancer" for purposes of this subchapter.

Sec. 1369.212. APPLICABILITY OF SUBCHAPTER. (a) Provides that this subchapter applies only to a health benefit plan that provides benefits for medical or surgical expenses or pharmacy benefits incurred as a result of a health condition, accident, or sickness, including an individual, group, blanket, or franchise insurance policy or insurance agreement, a group hospital service contract, or an individual or group evidence of coverage or similar coverage document that is issued by:

- (1) an insurance company;
- (2) a group hospital service corporation operating under Chapter 842 (Group Hospital Service Corporations);
- (3) a health maintenance organization operating under Chapter 843 (Health Maintenance Organizations);
- (4) an approved nonprofit health corporation that holds a certificate of authority under Chapter 844 (Certification of Certain Nonprofit Health Corporations);
- (5) a multiple employer welfare arrangement that holds a certificate of authority under Chapter 846 (Multiple Employer Welfare Arrangements);
- (6) a stipulated premium company operating under Chapter 884 (Stipulated Premium Insurance Companies);
- (7) a fraternal benefit society operating under Chapter 885 (Fraternal Benefit Societies);
- (8) a Lloyd's plan operating under Chapter 941 (Lloyd's Plan); or

(9) an exchange operating under Chapter 942 (Reciprocal and Interinsurance Exchanges).

(b) Provides that, notwithstanding any other law, this subchapter applies to:

(1) a small employer health benefit plan subject to Chapter 1501 (Health Insurance Portability and Availability Act), including coverage provided through a health group cooperative under Subchapter B of that chapter;

(2) a standard health benefit plan issued under Chapter 1507 (Consumer Choice of Benefits Plans);

(3) a basic coverage plan under Chapter 1551 (Texas Employees Group Benefits Act);

(4) a basic plan under Chapter 1575 (Texas Public School Employees Group Benefits Program);

(5) a primary care coverage plan under Chapter 1579 (Texas School Employees Uniform Group Health Coverage);

(6) a plan providing basic coverage under Chapter 1601 (Uniform Insurance Benefits Act For Employees of The University of Texas System and The Texas A&M University System);

(7) health benefits provided by or through a church benefits board under Subchapter I (Church Benefits Boards), Chapter 22, Business Organizations Code;

(8) group health coverage made available by a school district in accordance with Section 22.004 (Group Health Benefits For School Employees), Education Code;

(9) the state Medicaid program, including the Medicaid managed care program operated under Chapter 533 (Medicaid Managed Care Program), Government Code;

(10) the child health plan program under Chapter 62 (Child Health Plan For Certain Low-Income Children), Health and Safety Code;

(11) a regional or local health care program operated under Section 75.104 (Health Care Services), Health and Safety Code; and

(12) a self-funded health benefit plan sponsored by a professional employer organization under Chapter 91 (Professional Employer Organizations), Labor Code.

(c) Provides that this subchapter applies to coverage under a group health benefit plan provided to a resident of this state regardless of whether the group policy, agreement, or contract is delivered, issued for delivery, or renewed in this state.

Sec. 1369.213. PROHIBITED CONDUCT. (a) Prohibits a health benefit plan that provides coverage for stage-four advanced, metastatic cancer and associated conditions from requiring, before the health benefit plan provides coverage of a prescription drug approved by the United States Food and Drug Administration, that the enrollee:

(1) fail to successfully respond to a different drug; or

(2) prove a history of failure of a different drug.

(b) Provides that this section applies only to a drug the use of which is:

(1) consistent with best practices for the treatment of stage-four advanced, metastatic cancer or an associated condition; and

(2) supported by peer-reviewed medical literature.

SECTION 2. Provides that this Act applies only to a health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2020. Provides that a health benefit plan delivered, issued for delivery, or renewed before January 1, 2020, 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 3. Effective date: September 1, 2019.