

BILL ANALYSIS

Senate Research Center
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H.B. 1337
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Health & Human Services
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Many insurers utilize step therapy requirements in an effort to utilize other alternatives to high cost prescription drugs before covering the most expensive of drugs. When someone has a mental illness, they face a substantially higher risk of being forced to take prescriptions that might not work for them just because they are less expensive. Although these requirements generate significant savings for the parties involved, those who are diagnosed with serious mental illnesses face a considerably higher risk testing out cheaper medications for a certain time period before qualifying for the most expensive, which might work out best.

H.B. 1337 limits the authority of health benefit plan issuers to require enrollees in health benefit plans to complete step therapy protocols before the insurer will provide coverage for certain prescription drugs. Also, H.B. 1337 amends the Insurance Code to prohibit health benefit plans from including two specific step therapy protocols in the plan and allow health benefit plan issuers to implement a step therapy protocol if the issuer meets two requirements.

H.B. 1337 amends current law relating to step therapy protocols required by health benefit plans for coverage of prescription drugs for serious mental illnesses.

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 Subchapter B, Chapter 1369, Insurance Code, by adding Section 1369.0547, as follows:

Sec. 1369.0547. STEP THERAPY PROTOCOLS FOR PRESCRIPTION DRUGS TO TREAT SERIOUS MENTAL ILLNESSES. (a) Defines "serious mental illness."

(b) Provides that this section applies only to a drug prescribed to an enrollee who is 18 years of age or older to treat a diagnosis of a serious mental illness.

(c) Prohibits a health benefit plan that provides coverage for prescription drugs to treat a serious mental illness 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 more than one different drug for each drug prescribed, excluding the generic or pharmaceutical equivalent of the prescribed drug; or

(2) prove a history of failure of more than one different drug for each drug prescribed, excluding the generic or pharmaceutical equivalent of the prescribed drug.

(d) Authorizes a health benefit plan issuer, subject to Section 1369.0546 (Step Therapy Protocol Exception Requests), to implement a step therapy protocol to require a trial of a generic or pharmaceutical equivalent of a prescribed prescription drug as a condition of continued coverage of the prescribed drug only once in a plan year and only if the generic or pharmaceutical equivalent drug is added to the plan's drug formulary.

SECTION 2. Makes application of this Act prospective to January 1, 2024.

SECTION 3. Effective date: September 1, 2023.