BILL ANALYSIS

Senate Research Center

H.B. 1296
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Many Americans live with at least one chronic disease, such as high blood pressure, diabetes, high cholesterol, or heart disease. Medication is often the primary source of medical treatment for those with chronic diseases. However, many patients with chronic diseases struggle to adhere to their prescribed drug therapies, resulting in avoidable and costly health complications, worsening of disease progression, and an increased number of emergency room visits and hospital stays.

Interested parties have found that medication synchronization provides a solution to this issue. Medication synchronization seeks to increase patient adherence to prescribed drug therapies by having all the patient's prescriptions ready for pick up on the same date each month in order to minimize the disruption of treatment through delayed or missed refills.

However, one of the biggest challenges to medication synchronization is the upfront costs to the patient. Currently, many health plans do not have payment policies in place to provide coverage for a claim for less than a 30-day supply and require patients to pay a full co-payment for a partial fill. In other cases, pharmacies trying to submit a claim for adjusted quantities, will receive a "refill too soon" rejection, and the payer will deny coverage altogether, leaving the patient responsible for paying for medication out of pocket.

H.B. 1296 allows physicians, working in conjunction with the patient's health plan and the pharmacy, to determine which medications should be aligned in order to properly treat chronic diseases. It also eliminates barriers to medication synchronization by requiring health plans to prorate any cost-sharing amount charged for a prescription drug dispensed in a quantity that is less than the full amount as part of a recommended medication synchronization program, resulting in reduced upfront costs for patients.

Medication synchronization is currently permitted under Medicare Part D. In addition, 17 other states have passed legislation requiring the establishment of a medication synchronization program.

H.B. 1296 amends current law relating to health benefit coverage for prescription drug synchronization.

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 J, as follows:

SUBCHAPTER J. COVERAGE RELATED TO PRESCRIPTION DRUG SYNCHRONIZATION

Sec. 1369.451. DEFINITIONS. Defines "cost-sharing amount," "health care provider," and "physician."

Sec. 1369.452. APPLICABILITY OF SUBCHAPTER. (a) Provides that this subchapter applies only to a health benefit plan (HBP) that provides benefits for certain medical or surgical expenses that is offered by certain entities.

(b) Provides that this subchapter applies to group health coverage made available by a school district in accordance with Section 22.004 (Group Health Benefits for School Employees), Education Code.

(c) Provides that, notwithstanding any provision in Chapter 1551 (Texas Employees Group Benefits Act), 1575 (Texas Public School Employees Group Benefits Program), 1579 (Texas School Employees Uniform Group Health Coverage), or 1601 (Uniform Insurance Benefits Act for Employees of The University of Texas System and The Texas A&M University System) or any other law, this subchapter applies to certain types of HBP coverage.

(d) Provides that, notwithstanding Section 1501.251 (Exception from Certain Mandated Benefit Requirements) or any other law, this subchapter applies to coverage under a small employer HBP subject to Chapter 1501 (Health Insurance Portability and Availability Act).

(e) Provides that this subchapter applies to a standard HBP issued under Chapter 1507 (Consumer Choice of Benefits Plans).

(f) Requires that the child health plan operated under Chapter 62 (Child Health Plan for Certain Low-Income Children), Health and Safety Code, and the state Medicaid program, including the Medicaid managed care program operated under Chapter 533 (Medicaid Managed Care Program), Government Code, to the extent allowed by federal law, provide the coverage required under this subchapter to a recipient.

Sec. 1369.453. APPLICABILITY TO CERTAIN MEDICATIONS. Provides that this subchapter applies with respect to only a medication that meets certain conditions.

Sec. 1369.454. PRORATION OF COST-SHARING AMOUNT REQUIRED. (a) Requires that an HBP that provides benefits for prescription drugs to prorate any cost-sharing amount charged for a partial supply of a prescription drug if:

(1) the pharmacy or the enrollee's prescribing physician or health care provider notifies the HBP that the quantity dispensed is to synchronize the dates that the pharmacy dispenses the enrollee's prescription drugs and the synchronization of the dates is in the interest of the enrollee; and

(2) the enrollee agrees to the synchronization.

(b) Requires that the proration described by Subsection (a) be based on the number of days' supply of the drug actually dispensed.

Sec. 1369.455. PRORATION OF DISPENSING FEE PROHIBITED. Prohibits an HBP that prorates a cost-sharing amount as required by Section 1369.454 from prorating the fee paid to the pharmacy for dispensing the drug for which the cost-sharing amount was prorated.

Sec. 1369.456. IMPLEMENTATION OF CERTAIN MEDICATION SYNCHRONIZATION PLANS. (a) Defines "chronic illness" and "medication synchronization plan."

(b) Requires that an HBP establish a process through which certain parties may jointly approve a medication synchronization plan for medication to treat an enrollee's chronic illness.

(c) Requires that an HBP provide coverage for a medication dispensed in accordance with the dates established in the medication synchronization plan described by Subsection (b).

(d) Requires that an HBP establish a process that allows a pharmacist or pharmacy to override the HBP's denial of coverage for a medication described by Subsection (b).

(e) Requires that an HBP allow a pharmacist or pharmacy to override the HBP's denial of coverage through the process described by Subsection (d), and requires that the HBP provide coverage for the medication if the prescription for the medication is being refilled in accordance with the medication synchronization plan described by Subsection (b) and the reason for the denial is that the prescription is being refilled before the date established by the HPB's general prescription refill guidelines.

SECTION 2. Makes application of this Act prospective to January 1, 2018.

SECTION 3. Effective date: September 1, 2017.