

BILL ANALYSIS

C.S.H.B. 698
By: Blanco
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

There are concerns that contracts between pharmacies and pharmacy benefit management companies may prevent a pharmacy or pharmacist from disclosing whether a patient could save money by paying cash or purchasing a generic brand and that consumers often do not know other options exist. C.S.H.B. 698 seeks to address these concerns by protecting certain practices of pharmacists and pharmacies regarding amounts charged for prescription drugs.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 698 amends the Insurance Code to prohibit an issuer of a health benefit plan that covers prescription drugs or a pharmacy benefit manager from, as a condition of a contract with a pharmacist or pharmacy providing a prescription drug or in any other manner, prohibiting or otherwise restricting a pharmacist or pharmacy from or penalizing a pharmacist or pharmacy for:

- informing a covered health benefit plan enrollee that the amount the pharmacist or pharmacy charges for a prescription drug is less than the enrollee's copayment, deductible, or coinsurance for the drug under the plan or otherwise providing information to the enrollee regarding the cost of the drug; or
- selling a prescription drug covered by the plan for an amount that is less than the enrollee's copayment, deductible, or coinsurance for the drug under the plan.

The bill establishes the applicability of its provisions. The bill applies only to a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2020.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 698 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute does not include in the applicability of the bill's provisions certain county employee group health benefits or health and accident coverage provided by a risk pool created under the Texas Political Subdivision Employees Uniform Group Benefits Act.

The substitute includes a procedural provision relating to an affected state agency's request of a necessary federal waiver or authorization.