

BILL ANALYSIS

C.S.S.B. 827
By: Kolkhorst
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Texas has an above average rate of adults who have been diagnosed with diabetes. Studies have shown that medical expenses for those with diabetes are more than twice the average cost for those who are not diabetic. In the past 15 years, the price of insulin has nearly tripled, which has led to increased cost-sharing requirements. Due to price increases, insulin rationing has become more common. This is a dangerous practice that jeopardizes the health and safety of the patient. C.S.S.B. 827 seeks to address this issue and allow consumers to be able to effectively budget for the costs associated with their insulin by capping cost-sharing for prescription insulin at \$25 per prescription for a 30-day supply.

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.S.B. 827 amends the Insurance Code to cap the out-of-pocket costs that may be imposed under a health benefit plan's cost-sharing provision for prescription insulin that is included in the plan's formulary, other than an insulin drug administered intravenously, at \$25 per prescription for a 30-day supply, regardless of the amount or type of insulin needed to fill the enrollee's prescription. A health benefit plan must include at least one insulin from each therapeutic class in its formulary. The bill establishes, and provides certain exceptions to, the applicability of its provisions. The bill applies only to a health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2022.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 827 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The original set the cost-sharing cap for prescription insulin at \$50 for a 30-day supply, whereas the substitute sets the cap at \$25 per prescription for a 30-day supply.

The substitute includes a requirement absent from the engrossed for a health benefit plan to include at least one insulin from each therapeutic class in its formulary.