

SUBJECT: Requiring health benefit plans to post formulary information, directories

COMMITTEE: Insurance — committee substitute recommended

VOTE: 9 ayes — Frullo, Muñoz, G. Bonnen, Guerra, Meyer, Paul, Sheets, Vo, Workman

0 nays

WITNESSES: For — Blake Windham, American Cancer Society Cancer Action Network; Stacey Pogue, Center for Public Policy Priorities; Simone Nichols-Segers, National MS Society; David Bryant, Texas Society of Anesthesiologists; Audra Rea; Tara Seidenberg; (*Registered, but did not testify*: Trey Berndt, AARP; Laura Guerra-Cardus, Children's Defense Fund - Texas; Christine Bryan, Clarity Child Guidance Center; Blake Hutson, Consumers Union; Tanya Lavelle, Easter Seals Central Texas; Dianne Wheeler, League of Women Voters of Texas; John Pitts, Legacy Community Health Services; Kirby Consier, Leukemia and Lymphoma Society; Gyl Switzer, Mental Health America of Texas; Will Francis, National Association of Social Workers - Texas Chapter; Ana DeFrates, National Latina Institute for Reproductive Health; Joshua Houston, Texas Impact; Patricia Kolodzey, Texas Medical Association; Yannis Banks, Texas NAACP; Nicholas Yarbrough, Texas Pharmacy Association; Maxine Cooper)

Against — None

On — Doug Danzeiser, Texas Department of Insurance

BACKGROUND: Provider directories of health benefit plans that are not updated frequently can provide consumers with outdated information. Prescription drug formularies also often are not available to health insurance consumers online, and little information on cost sharing for prescription drugs is available until after a plan is purchased. Consumers therefore report trouble determining whether a plan meets their individual or family needs.

DIGEST:

CSHB 1624 would require that health benefit plans compile and make publicly available certain information for consumers, including formulary information and a provider directory. The bill would specify which health benefit plans would be subject to its requirements.

The bill would require a health benefit plan issuer to display on a public website formulary information as required by the commissioner of insurance. A direct electronic link to the formulary information would have to be displayed conspicuously on the health benefit plan issuer's website. The information would be publicly accessible to interested parties without requiring a password, a user name, or personally identifiable information.

The information would have to be displayed in template form, as specified in the bill. The Department of Insurance, in consultation with a committee of stakeholders, would be required to develop the template, which all health benefit plan issuers would have to use to display formulary information. The template would be electronically searchable by drug name and would include each enrollee's cost sharing amount for each prescription drug subject to coinsurance and dispensed at an in-network pharmacy or a cost-sharing range, in addition to other required information.

Information required in the template would include any cost sharing for each prescription drug covered under the health benefit plan and typically administered by a provider. A health benefit plan issuer could make available this information to interested parties through a toll-free telephone number that would operate at least during normal business hours.

Certain health benefit plan issuers, as specified by the bill, that offered coverage for health care services through preferred providers, exclusive providers, or a network of physicians or health care providers would be required to develop and maintain a physician and health care provider directory. The directory would include the name, street address, and telephone number all of the issuer's physicians and health care providers

and would indicate whether they were accepting new patients.

A health benefit plan issuer would be required to display on a public website the directory described above. A direct electronic link to the directory would have to be displayed conspicuously on the website.

The health benefit plan issuer would be required to clearly indicate in the directory each health benefit plan of the issuer that could provide coverage for services provided by each physician or provider included in the directory. The directory would have to be:

- electronically searchable by provider name and location; and
- publicly accessible without needing a password, a user name, or personally identifiable information.

The health benefit plan issuer would be required to conduct an ongoing review of the directory and would update the information as needed. Corrections and updates, if any, would be made at least once a month.

The health benefit plan issuer would be required to conspicuously display in the directory an e-mail address and a toll-free number to which individuals could report inaccuracies in the directory. If a report was made, the issuer would have to investigate and correct the information by the seventh day after the date the report was received.

The bill would take effect September 1, 2015, and would apply only to a health benefit plan that was delivered, issued for delivery, or renewed on or after January 1, 2016.