

SUBJECT: Authorizing health benefit coverage for medication synchronization

COMMITTEE: Insurance — committee substitute recommended

VOTE: 9 ayes — Phillips, Muñoz, R. Anderson, Gooden, Oliverson, Paul,  
Sanford, Turner, Vo

0 nays

WITNESSES: For — Cam Scott, American Cancer Society Cancer Action Network; Chase Bearden, Coalition of Texans with Disabilities; Jessica Haskins, NACDS; Will Francis, National Association of Social Workers - Texas Chapter; (*Registered, but did not testify*: Blake Hutson, AARP Texas; David Gonzales, Alliance of Independent Pharmacies of Texas; Denise Rose, AstraZeneca; Reginald Smith, Communities for Recovery; Eric Woomer, Federation of Texas Psychiatry; Micah Rodriguez, HEB; Gyl Switzer, Mental Health America of Texas; Eric Kunish, National Alliance on Mental Illness Austin; Amber Pearce, Pfizer; John Heal, Pharmacy Buying Association d/b/a Texas TrueCare Pharmacies; Dan Hinkle, Texas Academy of Family Physicians; Stephanie Simpson, Texas Association of Manufacturers; Bradford Shields, Texas Federation of Drug Stores; Thomas Kowalski, Texas Healthcare and Bioscience Institute; Duane Galligher, Texas Independent Pharmacies Association; Steven Hays, Carolyn Parcels, and Clayton Stewart, Texas Medical Association; Erin Cusack, Texas Nurse Practitioners; Andrew Cates, Texas Nurses Association; Victor Gonzalez, Texas Ophthalmologic Associations; Rachael Reed, Texas Ophthalmological Association; Bobby Hillert and David Teuscher, Texas Orthopaedic Association; David Reynolds, Texas Osteopathic Medical Association; Clayton Travis, Texas Pediatric Society; Justin Hudman, Texas Pharmacy Association; Michael Wright, Texas Pharmacy Business Council; Carlos Higgins, Texas Silver Haired Legislature; Bonnie Bruce, Texas Society of Anesthesiologists; Greg Herzog, Texas Society of Gastroenterology, Texas Neurological Society; Kellie Duhr, Walmart; and seven individuals)

Against — (*Registered, but did not testify*: Wendy Wilson, Prime

Therapeutics)

On — (*Registered, but did not testify*: Joe Matetich, OPIC; Pat Brewer, Texas Department of Insurance)

DIGEST:

CSHB 1296 would apply only to certain health benefit plans, as listed in the bill, that provide benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness. Under the bill, a health benefit plan would establish a process through which the plan, the enrollee, the prescribing physician or health care provider, and a pharmacist could jointly approve a medication synchronization plan for medication to treat an enrollee's chronic illness. The "medication synchronization plan" would synchronize the filling or refilling of multiple prescriptions. A health benefit plan would provide coverage for medications dispensed according to a medication synchronization plan.

CSHB 1296 would apply to a medication that:

- was covered by the enrollee's health plan;
- met the prior authorization criteria specifically applicable to the medication under the health benefit plan on the date the request for synchronization was made;
- was used for treatment and management of a chronic illness, as defined in the bill;
- could be prescribed with refills;
- was a formulation that could be effectively dispensed with the bill's specified medication synchronization plan; and
- was not a schedule II controlled substance or a schedule III controlled substance containing hydrocodone.

The bill would define a "chronic illness" to mean an illness or physical condition that could reasonably be expected to continue for an uninterrupted period of at least three months and that could be controlled but not cured by medical treatment.

A health benefit plan would establish a process for a pharmacist or

pharmacy to override the plan's denial of coverage for a medication under an enrollee's medication synchronization plan. The health plan would allow a pharmacist or pharmacy to override a denial and the plan to cover the medication if:

- the prescription for the medication was being refilled in accordance with the medication synchronization plan; and
- the reason for the denial was that the prescription was being refilled before the date established by the plan's general prescription refill guidelines.

CSHB 1296 would require any health benefit plan that provided prescription drug benefits to prorate any cost-sharing amount charged for a partial supply of a prescription drug if the pharmacy, the enrollee's prescribing physician, or the enrollee's health care provider notified the health benefit plan that:

- the quantity dispensed was to synchronize the dates that the pharmacy dispensed the enrollee's prescription drugs;
- the synchronization of the dates was in the best interest of the enrollee; and
- the enrollee agreed to the synchronization.

A "cost-sharing amount" would include a deductible, coinsurance, or copayment. The prorating would be based on the number of days' supply that was actually dispensed, and a health benefit plan could not prorate the fee paid to the pharmacy for dispensing the drug.

CSHB 1296 would take effect September 1, 2017, and would apply only to a health benefit plan that was delivered, issued for delivery, or renewed on or after January 1, 2018.

**SUPPORTERS  
SAY:**

CSHB 1296 would synchronize refill dates for certain medications for patients with a chronic illness, allowing these patients to pick up all their prescriptions together on the same date. This benefit already is covered by Medicare part D and is offered in many other states. The bill would apply

only to prescriptions for a chronic illness that needed to be dispensed at the same time and that were formulated to be effectively dispensed with a medication synchronization plan. It would not apply to controlled substances in schedules II or III, including those containing hydrocodone.

Studies have found that poor medication adherence costs the U.S. health care system billions annually. CSHB 1296 would reduce costs for health plans and patients by increasing medication adherence and making it easier for patients to pick up their prescriptions together on one date. Medication synchronization is especially important for patients undergoing cancer treatment or those with a chronic illness who have difficulty traveling to a pharmacy.

CSHB 1296 would apply only to medications that met a health benefit plan's specific prior authorization criteria and would not require plans to cover new products, offer new pharmaceutical benefits, or cover drugs outside of a plan's existing preferred drug list. Plans could establish their own process for implementing the bill.

It is common sense to allow a prorated copay for a prescription that was not fully filled because it was being synchronized with other medications. Patients should not have to pay a full copay for a few days of a medication that was meant to be taken for a month or longer. Without prorated copays, full dispensing fees, and the ability to override denial codes, synchronization is not realistic.

Drug synchronization lowers costs for health plans and patients by helping patients stay healthier and reducing expensive hospital admissions caused by poor medication adherence. According to the fiscal note, there would be no cost to state-administered health benefit plans to implement CSHB 1296.

**OPPONENTS  
SAY:**

By requiring insurers to offer medication synchronization as a benefit, as well as prorated copays for certain medications, CSHB 1296 could increase health insurance costs that could be passed on to patients.

NOTES: A companion bill, SB 697 by Buckingham, was approved by the Senate on April 18.