

SUBJECT: Limiting prior authorizations for autoimmune disease prescription drugs

COMMITTEE: Insurance — committee substitute recommended

VOTE: 6 ayes — Oliverson, Vo, J. González, Hull, Israel, Romero

3 nays — Middleton, Paul, Sanford

WITNESSES: For — John Carlo and Lisa Ehrlich, Texas Medical Association; Tommy Lucas, Texas Optometric Association; (*Registered, but did not testify*: Ricardo Martinez, Equality Texas; Lindsay Lanagan, Legacy Community Health; Jaime Capelo, Texas Chapter American College of Cardiology and Texas Urological Society; David Reynolds, Texas Chapter American College of Physicians; Clayton Stewart, Texas Medical Association; Eric Woomer, Texas Pediatric Society; Stacey Mather, Texas Society of Health-System Pharmacists; Ware Wendell, Texas Watch; Georgia Keysor; Thomas Parkinson; Roy Paulson)

Against — Jamie Dudensing, Texas Association of Health Plans; Bill Hammond, Texas Employers for Insurance Reform; (*Registered, but did not testify*: Billy Phenix, America's Health Insurance Plans; Patricia Kolodzey, Blue Cross Blue Shield of Texas; Jamaal Smith, City of Houston, Office of the Mayor; Christine Wright, City of San Antonio; Mindy Ellmer, Pharmaceutical Care Management Association; Jennifer Cawley, Texas Association of Life and Health Insurers)

On — (*Registered, but did not testify*: Luke Bellsnyder, Texas Department of Insurance)

DIGEST: CSHB 907 would prohibit a health benefit plan issuer from requiring an enrollee to receive more than one prior authorization annually for a prescription drug prescribed to treat an autoimmune disease.

Applicability. The bill would apply only to certain health plans issued by organizations specified in the bill, including:

- the state Medicaid program, including Medicaid managed care;
- the Children's Health Insurance Program (CHIP);
- a plan issued by a health maintenance organization;
- a small employer health plan subject to the Health Insurance Portability and Availability Act;
- a consumer choice of benefits plan;
- a basic coverage plan under the Texas Employees Group Benefits Act;
- a basic plan under the Texas Public School Retired Employees Group Benefits Act;
- a primary care coverage plan under the Texas School Employees Uniform Group Health Coverage Act; and
- a basic coverage plan under the Uniform Insurance Benefits Act for employees of the University of Texas and Texas A&M systems.

The bill also would apply to coverage under a group health benefit plan provided to a state resident regardless of whether the group policy, agreement, or contract was issued or renewed in the state.

Exceptions. The bill would not apply to certain plans and policies, including a Medicare supplemental policy as defined by 42 U.S.C. Section 1395ss(g)(1) or a workers' compensation policy. The bill also would not apply to an individual health plan issued on or before March 23, 2010, that did not have any significant changes since that date that reduced benefits or increased costs to the individual.

Effective date. The bill would take effect September 1, 2021, and would apply only to a health benefit plan that was issued or renewed on or after January 1, 2022.

SUPPORTERS
SAY:

CSHB 907 would improve Texans' access to health care by prohibiting health plans from requiring multiple prior authorizations each year for a prescription drug used to treat an individual's autoimmune disease. Prior authorizations delay access to timely care, create administrative burdens for physicians, and interfere with a patient's ongoing treatment.

Currently, health plans use prior authorizations to require a physician to obtain approval of the medical necessity and appropriateness of health care services, like prescription drugs, before they are provided. Concerns have been raised that some patients have to undergo the prior authorization process every time they need to refill their medication, even though their disease requires consistent, lifelong treatment. As patients wait for the prior authorization request to get approved, some may run out of medication, disrupting treatment and potentially increasing health risks. By limiting the number of prior authorizations a health plan could require each year for these patients, CSHB 907 would increase access to vital medication, leading to better patient outcomes, and reduce physicians' administrative burden.

**CRITICS
SAY:**

CSHB 907 could undermine important patient protections and increase health care costs by prohibiting health plans from requiring multiple prior authorizations in a year for a prescription drug used to treat an individual's autoimmune disease. Prior authorization programs rely on evidence-based medicine to support the safe and appropriate use of medicines that have a higher tendency of misuse or abuse. Limiting the number of prior authorizations for an autoimmune disease prescription drug could reduce oversight of fraud, waste, and abuse and undermine practices that prevent harm, lower costs, and ensure care is delivered effectively. In addition, removing the ability to ensure appropriate utilization in Medicaid and the Children's Health Insurance Program (CHIP) could increase costs to taxpayers.