

SUBJECT: Establishing limits on step therapy protocols for certain prescription drugs

COMMITTEE: Insurance — committee substitute recommended

VOTE: 9 ayes — Oliverson, A. Johnson, Cain, Cortez, Caroline Harris, Hull, Julie Johnson, Paul, Perez

0 nays

WITNESSES: For — Greg Hansch, National Alliance on Mental Illness (NAMI) Texas; Tony Aventa, TMA (*Registered, but did not testify*: Eric Wright, Behavioral Health Advocates of Texas; Dennis Borel, Coalition of Texans with Disabilities; Eric Woomer, Federation of Texas Psychiatry; Lindsay Lanagan, Legacy Community Health; Bill Kelly, Mayor's Office City of Houston; Bryan Mares, National Association of Social Workers-Texas; Simone Nichols-Segers, National MS Society; Tom Banning, Texas Academy of Family Physicians; Shannon Meroney, Texas Association of Health Underwriters; David Reynolds, Texas Chapter American College of Physicians; Seth Winick, Texas Coalition for Healthy Minds; Leela Rice, Texas Council of Community Centers; Sara Gonzalez, Texas Hospital Association; Jill Sutton, Texas Osteopathic Medical Association; Clayton Travis, Texas Pediatric Society; David Balat, Texas Public Policy Foundation)

Against — None

On — Blake Hutson, Texas Association of Health Plans (*Registered, but did not testify*: Debra Diaz-Lara, Texas Department of Insurance)

BACKGROUND: Insurance Code sec. 1369.051 defines "step therapy protocol" as a protocol that requires an enrollee to use a prescription drug or sequence of prescription drugs other than the drug that the enrollee's physician recommends for treatment before the health benefit plan provides coverage for the recommended drug.

Insurance Code Sec. 1355.001 defines "serious mental illness" as certain

specified psychiatric illnesses, including bipolar disorders, major depressive disorders, obsessive-compulsive disorders, paranoia, and schizophrenia.

DIGEST: CSHB 1337 would limit health plan use of step therapy protocols when determining coverage of a prescription drug prescribed to an enrollee age 18 or older to treat a serious mental illness.

Prior to providing coverage for an prescription drug, a health plan providing prescription drug coverage to treat a serious mental illness could not require an enrollee:

- to fail to respond to more than one different drug for each drug prescribed, excluding the generic of the prescribed drug; or
- to have a history of failing more than one different drug for each drug prescribed, excluding the generic or pharmaceutical equivalent of the prescribed drug.

As a condition of continued coverage, once per year a health plan could implement a step therapy protocol to require the enrollee to try a generic or pharmaceutical equivalent of a prescribed drug if the generic or pharmaceutical equivalent drug was added to the health plan's formulary.

The bill would take effect September 1, 2023 and would apply to a health plan delivered, issued, or renewed on or after January 1, 2024.

SUPPORTERS SAY: CSHB 1337 would help ensure patients with mental illness had access to the medications that best treated and managed their illness. Some step therapy protocols require patients to try and fail numerous medications prior to receiving access to the medication that works best for them. Such requirements could cause treatment disruptions that resulted in major life changes including job loss, homelessness, hospitalization, incarceration and even death. Limiting step therapy could reduce the time patients must wait to get the treatment their doctor believes is best for them.

Step therapy practices can have adverse impacts on patient health and add

undue costs to the health care system. Patients subject to step therapies that require the patient to try medications not originally prescribed by their doctor could experience side effects and adverse reactions that contribute to poorer health or lead to a patient ending treatment altogether. Untreated or improperly treated patients with serious mental illnesses could end up needing costly hospitalization and extensive medical treatment. In the most serious of situations, an untreated or improperly treated patient could lose their life to suicide or other avoidable tragedy. These unnecessary risks to patient health and increased health care costs could be avoided by limiting the use of step therapy and more quickly getting patients on the right medicine.

CRITICS
SAY:

No concerns identified.