

SUBJECT: Limiting requirements for the dispensing of clinician-administered 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 — Pradeep Kumar, Texas Medical Association, Texas Society of Gastroenterology and Endoscopy; Gury Doshi, Texas Oncology (*Registered, but did not testify*: Timothy Ottinger, CHI St. Lukes Health; Januari Fox, Prism Health North Texas; David Reynolds, Texas Chapter American College of Physicians Services; Jill Sutton, Texas Osteopathic Medical Association; Duane Galligher, Texas Pharmacy Association; Jerry Valdez, Texas Pharmacy Business Council; Angela Storseth, The US Oncology Network; Tilden Childs)

Against — (*Registered, but did not testify*: Pasha Moore, Pharmaceutical Care Management Association; Matt Abel, Texas Association of Business)

On — Binita Patel, Memorial Hermann and THA; Blake Hutson, Texas Association of Health Plans (*Registered, but did not testify*: Debra Diaz-Lara, Texas Department of Insurance)

BACKGROUND: Concerns have been raised that imposing certain limitations on the coverage of clinician-administered drugs can cause delays in patient care and negatively impact health outcomes.

DIGEST: CSHB 1647 would define clinician-administered drugs as outpatient prescription drugs other than vaccines that could not be reasonably administered by the patient or an individual assisting the patient and were typically administered by a physician or other authorized health care provider in a physician's office.

For enrollees with chronic, complex, rare, or life-threatening medical conditions, health benefit plan issuers would be prohibited from:

- requiring clinician-administered drugs to be dispensed only by certain pharmacies or only by pharmacies participating in the issuer's network;
- limiting or excluding coverage for clinician-administered drugs based on the enrollee's choice of pharmacy or because a network pharmacy did not dispense the drug if the drug was otherwise covered;
- requiring a physician or health care provider participating in the issuer's network to bill for or be reimbursed for the delivery and administration of clinician-administered drugs under the pharmacy benefit instead of the medical benefit without a patient's informed written consent and a written attestation from the patient's physician or provider that a delay in the drug's administration would not put the patient at an increased health risk; or
- requiring an enrollee to pay an additional fee, higher copay, or other price increase for clinician-administered drugs based on the enrollee's choice of pharmacy or because the pharmacy was not in the issuer's network.

These provisions could not be construed to authorize a person to administer a drug when otherwise prohibited by state or federal law or modify drug administration requirements under state law.

These prohibitions would apply only if the patient's physician or provider determined that a delay of care would make disease progression probable or the use of a pharmacy within the health benefit plan issuer's network would:

- make death or patient harm probable;
- potentially cause a barrier to adherence to or compliance with the patient's plan of care; or
- necessitate delivery by a different pharmacy because of the timeliness of the delivery or the dosage requirements.

The bill would apply only to health benefit plans that provided benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness, including certain policies offered by insurance companies, group hospital service corporations, and other groups. The bill would not apply to an issuer or provider of health benefits or a pharmacy benefit manager providing pharmacy benefits under Medicaid, the Children's Health Insurance Program, the TRICARE military health system, or a worker's compensation insurance policy. The bill also would not apply to prescription drugs administered in a hospital, hospital facility-based practice setting, or hospital outpatient infusion center.

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