

BILL ANALYSIS

Senate Research Center
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S.B. 1687
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Economic Development
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As Filed

DIGEST

Currently, many health benefit plans that offer prescription drug benefits do so through a network of pharmacies with whom the plans have been contracted. Some policies offer prescription benefits that are limited to mail order prescriptions or generic drug formalities. S.B. 1687 would set forth provisions regarding the availability of prescription drugs from certain pharmacies under a health care plan offered by a health maintenance organization.

PURPOSE

As proposed, S.B. 1687 sets forth provisions regarding the availability of prescription drugs from certain pharmacies under a health care plan offered by a health maintenance organization.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Texas Department of Insurance in SECTION 1 (Section 40(f), Chapter 20A, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 20A, Insurance Code (Texas Health Maintenance Organization Act), by adding Section 40, as follow:

Sec. 40. USE OF OUT-OF-NETWORK PHARMACIES. Defines “network pharmacy,” and “out-of-network pharmacy.” Authorizes an enrollee to select an out-of-network pharmacy to provide prescription drugs to the enrollee. Requires a health maintenance organization (HMO) to pay the out-of-network pharmacy an amount equal to the amount the HMO would pay to a network pharmacy for the same prescription drug. Provides that, notwithstanding any other law, an enrollee who selects an out-of-network pharmacy under Subsection (b) of this section is responsible for any amount charged for a prescription drug by that pharmacy that exceeds the amount paid by the HMO. Provides that this section does not require a HMO to provide benefits for certain prescription drugs. Requires the Texas Department of Insurance (department) to adopt rules to implement this section.

SECTION 2. Effective date: September 1, 1999.
Makes application of this Act prospective.

SECTION 3. Emergency clause.