

BILL ANALYSIS

Senate Research Center
78R4415 KCR-F

S.B. 450
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State Affairs
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As Filed

DIGEST AND PURPOSE

Under current law, all seniors over the age of 65 qualify for Medicare and can purchase additional policies to supplement Medicare coverage. The only supplementary policies that offer a prescription drug benefit also include other benefits that may not be of use to the senior, but add to the cost of the supplementary policy. As proposed, S.B. 450 requires all insurers who offer Medicare supplemental policies to offer an outpatient prescription drug benefit plan as part of each Medicare supplement plan that the insurer offers. The bill allows a group or individual policyholder to opt out of such outpatient prescription drug benefit plans.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article 3.74, Insurance Code, by adding Section 3B, as follows:

Sec. 3B. OUTPATIENT PRESCRIPTION DRUG BENEFIT COVERAGE. Requires an insurer or other entity described by Section 1(a) that issues a Medicare supplement policy to also offer the policyholder one of three outpatient prescription drug benefit plans. Authorizes the policyholder to reject the coverage required under this section.

SECTION 2. Effective date: September 1, 2003.

Makes application of this act prospective to January 1, 2004.