

BILL ANALYSIS

Senate Research Center
78R10399 KCR-D

C.S.S.B. 450
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State Affairs
4/26/2003
Committee Report (Substituted)

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. C.S.S.B. 450 allows 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 provides for approval by the commissioner of insurance of outpatient 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. (a) Authorizes an insurer or other entity described by Section 1(a) that issues a Medicare supplement policy to also offer the policyholder one of two outpatient prescription drug benefit plans.

(b) Requires the commissioner of insurance (commissioner) to approve or disapprove an outpatient drug benefit plan described by Subsection (a) of this section that is filed for approval under Section 2(b) of this article not later than the 60th day after the date the insurer or other entity files the plan with the Texas Department of Insurance (TDI). Provides that a drug benefit plan that has not been approved or disapproved by the commissioner before the 61st day after the date the plan is filed with TDI is deemed approved on that day.

(c) Authorizes an insurer or other entity described by Section 1(a) of this article to offer participation in a prescription drug discount program in connection with the solicitation of an application for issuance of a Medicare supplement policy. Defines "prescription drug discount program."

(d) Provides that an offer of participation in a prescription drug discount program described by Subsection (c) is not a violation of Section 21.21 of this code or any other law prohibiting the offer of rebates in the solicitation of insurance policies.

SECTION 2. Effective date: September 1, 2003.

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