H.B. No. 1624

AN ACT

relating to transparency of certain information related to certain health benefit plan coverage.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 1369, Insurance Code, is amended by adding Sections 1369.0542, 1369.0543, and 1369.0544 to read as follows:

Sec. 1369.0542. FORMULARY INFORMATION ON INTERNET WEBSITE. (a) A health benefit plan issuer shall display on a public Internet website maintained by the issuer formulary information as required by the commissioner by rule.

(b) A direct electronic link to the formulary information must be displayed in a conspicuous manner in the electronic summary of benefits and coverage of each health benefit plan issued by the health benefit plan issuer on the health benefit plan issuer's Internet website. The information must be publicly accessible to enrollees, prospective enrollees, and others without necessity of providing a password, a user name, or personally identifiable information.

Sec. 1369.0543. FORMULARY DISCLOSURE REQUIREMENTS. (a) The commissioner shall develop and adopt by rule requirements to promote consistency and clarity in the disclosure of formularies to facilitate comparison shopping among health benefit plans.

(b) The requirements adopted under Subsection (a) must

1 apply to each prescription drug:
2 (1) included in a formulary and dispensed in a network
3 pharmacy; or
4 (2) covered under a health benefit plan and typically
5 administered by a physician or health care provider.
6 (c) The formulary disclosures must:
7 (1) be electronically searchable by drug name;
8 (2) include for each drug the information required by
9 Subsection (d) in the order listed in that subsection; and
10 (3) indicate each formulary that applies to each
11 health benefit plan issued by the issuer.
12 (d) The formulary disclosures must include for each drug:
13 (1) the cost-sharing amount for each drug, including
14 as applicable:
15 (A) the dollar amount of a copayment; or
16 (B) for a drug subject to coinsurance:
17 (i) an enrollee's cost-sharing amount
18 stated in dollars; or
19 (ii) a cost-sharing range, denoted as
20 follows:
21 (a) under $100 - $;
22 (b) $100-$250 - $$;
23 (c) $251-$500 - $$$;
24 (d) $501-$1,000 - $$$$; or
25 (e) over $1,000 - $$$$$;
26 (2) a disclosure of prior authorization, step therapy,
27 or other protocol requirements for each drug;

(3) if the health benefit plan uses a tier-based formulary, the specific tier for each drug listed in the formulary;

(4) a description of how prescription drugs will specifically be included in or excluded from the deductible, including a description of out-of-pocket costs for a prescription drug that may not apply to the deductible;

(5) identification of preferred formulary drugs; and

(6) an explanation of coverage of each formulary drug.

(e) The commissioner by rule may allow an alternative method of making disclosures required under Subsection (d)(1) relating to cost-sharing through a web-based tool that must:

(1) be publicly accessible to enrollees, prospective enrollees, and others without necessity of providing a password, a user name, or personally identifiable information;

(2) allow consumers to electronically search formulary information by the name under which the health benefit plan is marketed; and

(3) be accessible through a direct link that is displayed on each page of the formulary disclosure that lists each drug as required under Subsection (c).

Sec. 1369.0544. FORMULARY INFORMATION PROVIDED BY TOLL-FREE TELEPHONE NUMBER. In addition to providing the information described by Section 1369.0543(d)(1), a health benefit plan issuer may make the information available to enrollees, prospective enrollees, and others through a toll-free telephone number that operates at least during normal business hours.

SECTION 2. Chapter 1451, Insurance Code, is amended by

1 adding Subchapter K to read as follows:

2 SUBCHAPTER K. HEALTH CARE PROVIDER DIRECTORIES

3 Sec. 1451.501. DEFINITIONS. In this subchapter:

4 (1) "Health care provider" means a practitioner,
5 institutional provider, or other person or organization that
6 furnishes health care services and that is licensed or otherwise
7 authorized to practice in this state. The term includes a
8 pharmacist, pharmacy, hospital, nursing home, or other medical or
9 health-related service facility that provides care for the sick or
10 injured or other care. The term does not include a physician.

11 (2) "Physician" means an individual licensed to
12 practice medicine in this state.

13 Sec. 1451.502. APPLICABILITY OF SUBCHAPTER. This
14 subchapter applies only to a health benefit plan that provides
15 benefits for medical or surgical expenses incurred as a result of a
16 health condition, accident, or sickness, including an individual,
17 group, blanket, or franchise insurance policy or insurance
18 agreement, a group hospital service contract, or a small or large
19 employer group contract or similar coverage document that is
20 offered by:

21 (1) an insurance company;

22 (2) a group hospital service corporation operating
23 under Chapter 842;

24 (3) a fraternal benefit society operating under
25 Chapter 885;

26 (4) a stipulated premium company operating under
27 Chapter 884;

1 (5) a reciprocal exchange operating under Chapter 942;
2 (6) a health maintenance organization operating under
3 Chapter 843;
4 (7) a multiple employer welfare arrangement that holds
5 a certificate of authority under Chapter 846; or
6 (8) an approved nonprofit health corporation that
7 holds a certificate of authority under Chapter 844.
8 Sec. 1451.503. EXCEPTION. This subchapter does not apply
9 to:
10 (1) a health benefit plan that provides coverage:
11 (A) only for a specified disease or for another
12 single benefit;
13 (B) only for accidental death or dismemberment;
14 (C) for wages or payments in lieu of wages for a
15 period during which an employee is absent from work because of
16 sickness or injury;
17 (D) as a supplement to a liability insurance
18 policy;
19 (E) for credit insurance;
20 (F) only for dental or vision care;
21 (G) only for hospital expenses; or
22 (H) only for indemnity for hospital confinement;
23 (2) a Medicare supplemental policy as defined by
24 Section 1882(g)(1), Social Security Act (42 U.S.C. Section 1395ss),
25 as amended;
26 (3) a workers' compensation insurance policy;
27 (4) medical payment insurance coverage provided under

1 a motor vehicle insurance policy;
2 (5) a long-term care insurance policy, including a
3 nursing home fixed indemnity policy, unless the commissioner
4 determines that the policy provides benefit coverage so
5 comprehensive that the policy is a health benefit plan as described
6 by Section 1451.502;
7 (6) the child health plan program under Chapter 62,
8 Health and Safety Code, or the health benefits plan for children
9 under Chapter 63, Health and Safety Code; or
10 (7) a Medicaid managed care program operated under
11 Chapter 533, Government Code, or a Medicaid program operated under
12 Chapter 32, Human Resources Code.
13 Sec. 1451.504. PHYSICIAN AND HEALTH CARE PROVIDER
14 DIRECTORIES. (a) A health benefit plan issuer that offers coverage
15 for health care services through preferred providers, exclusive
16 providers, or a network of physicians or health care providers
17 shall develop and maintain a physician and health care provider
18 directory in accordance with this subchapter.
19 (b) The directory must include the name, street address, and
20 telephone number of each physician and health care provider
21 described by Subsection (a) and indicate whether the physician or
22 provider is accepting new patients.
23 Sec. 1451.505. PHYSICIAN AND HEALTH CARE PROVIDER DIRECTORY
24 ON INTERNET WEBSITE. (a) A health benefit plan issuer shall display
25 on a public Internet website maintained by the issuer the directory
26 required by Section 1451.504. A direct electronic link to the
27 directory must be displayed in a conspicuous manner in the

1 electronic summary of benefits and coverage of each health benefit
2 plan issued by the health benefit plan issuer on the Internet
3 website.
4 (b) The health benefit plan issuer shall clearly indicate in
5 the directory each health benefit plan issued by the issuer that may
6 provide coverage for services provided by each physician or health
7 care provider included in the directory.
8 (c) The directory must be:
9 (1) electronically searchable by physician or health
10 care provider name and location; and
11 (2) publicly accessible without necessity of
12 providing a password, a user name, or personally identifiable
13 information.
14 (d) The health benefit plan issuer shall conduct an ongoing
15 review of the directory and correct or update the information as
16 necessary. Except as provided by Subsection (e), corrections and
17 updates, if any, must be made not less than once each month.
18 (e) The health benefit plan issuer shall conspicuously
19 display in the directory required by Section 1451.504 an e-mail
20 address and a toll-free telephone number to which any individual
21 may report any inaccuracy in the directory. If the issuer receives a
22 report from any person that specifically identified directory
23 information may be inaccurate, the issuer shall investigate the
24 report and correct the information, as necessary, not later than
25 the seventh day after the date the report is received.
26 SECTION 3. The commissioner of insurance shall adopt rules
27 as required by Section 1369.0543, Insurance Code, as added by this

1 Act, not later than January 1, 2016.
2 SECTION 4. This Act applies only to a health benefit plan
3 that is delivered, issued for delivery, or renewed on or after
4 January 1, 2016. A plan delivered, issued for delivery, or renewed
5 before January 1, 2016, is governed by the law as it existed
6 immediately before the effective date of this Act, and that law is
7 continued in effect for that purpose.
8 SECTION 5. This Act takes effect September 1, 2015.

______________________________ President of the Senate

______________________________ Speaker of the House

I certify that H.B. No. 1624 was passed by the House on May 15, 2015, by the following vote: Yeas 129, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1624 on May 29, 2015, by the following vote: Yeas 145, Nays 0, 2 present, not voting.

______________________________ Chief Clerk of the House

I certify that H.B. No. 1624 was passed by the Senate, with amendments, on May 27, 2015, by the following vote: Yeas 31, Nays 0.

______________________________ Secretary of the Senate

APPROVED: ____________________
Date

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Governor