

BILL ANALYSIS

H.B. 1555
By: Coleman
State Health Care Expenditures, Select
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Until recently, individuals diagnosed with schizophrenia or bipolar disorder were prescribed medications that caused severe side effects. Because of these side effects, individuals often discontinued medications, relapsed, and ended up in high-cost institutional care. In the mid 1990s pharmaceutical manufacturers developed a new generation of medications to treat schizophrenia called atypical antipsychotics, which were found to be highly effective with significantly fewer side effects. The new generation of drugs can cost about \$4,000 per person per year or more. If an individual cannot afford treatment, they often debilitate physically, to the point that the individual would qualify for disability related Medicaid, which costs the state about \$15,000 per person per year. Therefore, investing in new generation medications and support services is clearly cost effective. The Texas Department of Mental Health and Mental Retardation, as one of its performance goals, is conducting a study on the number of persons receiving psychotropic medication for programmatic or emergency use. House Bill 1555 authorizes a demonstration project to offer such medications and requires the Health and Human Services Commission to report on the cost-effectiveness of the use of the new generation of drugs.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

House Bill 1555 amends the Human Resources Code to require the Health and Human Services Commission (HHSC) to establish a demonstration project to provide to eligible persons through the medical assistance program psychotropic medications and related laboratory and physician services necessary to conform to a prescribed medical regime for those medications. The bill sets forth eligibility requirements for participation in the demonstration project and provides that participants are not subject to the monthly three-prescription limit under the medical assistance program. The bill requires HHSC to submit a biennial report to the legislature regarding the demonstration project's progress and operation no later than December 1 of each even numbered year. The bill requires HHSC to evaluate, no later than December 1, 2008, the cost-effectiveness of the demonstration project, including whether the preventive drug treatments and related services provided under the project offset future long-term care costs for project participants. If the results of the evaluation indicate that the project is cost-effective, the bill requires HHSC to incorporate a request for funding for the continuation of the program in its budget request for the next state fiscal biennium. The bill provides that the demonstration project expires September 1, 2011.

EFFECTIVE DATE

This Act takes effect immediately if it receives a vote of two-thirds of all the members of each house, as provided by Section 39, Article III, Texas Constitution. If the Act does not receive the necessary vote for immediate effect, this Act takes effect September 1, 2003.

