

## **BILL ANALYSIS**

S.B. 865

By: Van de Putte  
State Health Care Expenditures, Select  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, the Medicaid Vendor Drug Program (VDP) uses a variety of resources to determine pharmaceutical product pricing when it reimburses pharmacists participating in the VDP. Some pharmacists have been adversely impacted because they were not reimbursed accurately or in a timely manner. A nationally recognized drug pricing standard information source exists, and is considered to be the industry standard for unbiased and accurate drug price reporting. This bill requires the VDP to consider a nationally recognized, unbiased pricing standard in determining reimbursement amounts, and to update drug prices weekly.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Health and Human Services Commission, or the commissioner or executive director of an agency operating part of the medical assistance program, as appropriate, in SECTION 1 (Section 32.0462, Human Resources Code) of this bill.

### **ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 32, Human Resources Code, by adding Section 32.0462, as follows:

Sec. 32.0462. VENDOR DRUG PROGRAM; PRICING STANDARD. (a) Requires the Health and Human Services Commission or an agency operating part of the medical assistance program to consider a nationally recognized, unbiased pricing standard for prescription drugs in determining reimbursement amounts under the vendor drug program, and update reimbursement amounts at least weekly.

(b) Requires the Health and Human Services Commission or the commissioner or executive director of an agency operating part of the medical assistance program (commissioner) to adopt rules implementing this section. Requires the commissioner, in adopting rules, to ensure that implementation of this section does not adversely affect the amount of federal funds available to the state for providing benefits under the vendor drug program.

SECTION 2. Requires a state agency, if before implementing any provision of this Act the agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, to request the waiver or authorization, and authorizes the agency to delay implementing that provision until the waiver or authorization is granted.

SECTION 3. Effective date: September 1, 2003.

### **EFFECTIVE DATE**

This act takes effect September 1, 2003.