BILL ANALYSIS

Senate Research Center
78R3948 KKA-D

S.B. 865
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DIGEST 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. As proposed, S.B. 865 requires the VDP to base prescription drug reimbursement amounts on a nationally recognized, unbiased pricing standard, and to update drug prices based on that source 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.

SECTION BY SECTION 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 base reimbursement amounts under the vendor drug program on a nationally recognized, unbiased pricing standard for prescription drugs, and update reimbursement amounts under the vendor drug program based on that standard at least weekly.
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> (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.