

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 28, 2003

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB865 by Van de Putte (Relating to pricing standards used under the Medicaid vendor drug program.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would require the Health and Human Services Commission to consider a nationally recognized, unbiased pricing standard in determining reimbursement amounts for prescription drug prices in the Medicaid Vendor Drug Program (VDP). The bill would further require that the reimbursement amounts be updated at least weekly.

The Health and Human Services Commission (HHSC) currently uses a nationally recognized database of drug prices that is updated weekly. It is assumed that the nationally recognized database would meet the requirements of this bill of a "nationally recognized unbiased pricing standard".

No significant fiscal impact to the HHSC is anticipated.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JK, JO, EB, KF, AJ