

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 14, 2007

TO: Honorable David Dewhurst, Lieutenant Governor, Senate

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB625 by Janek (Relating to restrictions on the interchange of transplant immunosuppressant drugs.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend Occupations Code to require the Board of Pharmacy and the Texas Medical Board to establish a joint committee to recommend to the Board of Pharmacy a list of narrow therapeutic index drugs and rules related to those drugs. The bill would restrict a pharmacist from dispensing an immunosuppressant drug following transplant unless the drug is the specific formulation prescribed by the prescribing practitioner. The bill would allow a pharmacist to substitute an alternative version of the prescribed immunosuppressive drug if the pharmacist notifies the prescribing practitioner orally or electronically to secure permission to interchange the drugs; the practitioner's authorization or denial must be documented by the pharmacist and practitioner. Under certain circumstances, the pharmacist may dispense a drug product that is generically equivalent.

There could be a fiscal impact to the Medicaid program if a significant number of prescriptions for immunosuppressive drugs following transplant that were previously filled as generic are now filled as brand name. The cost to convert all generic prescriptions for immunosuppressive drugs filled in the Medicaid program in fiscal year 2006 to brand name prescriptions would be an estimated \$1.5 million in General Revenue Funds. It is assumed that some of these prescriptions were for diagnoses unrelated to transplant and that many of them would still be filled as generic, in which case the fiscal impact to the state would not be significant.

Based on information provided by the Department of Aging and Disability Services, the Board of Pharmacy, the Teacher Retirement System, the Health and Human Services Commission, and the Employees Retirement System, the Texas Medical Board, and the Department of State Health Services, it is assumed that any additional costs related to the duties and responsibilities associated with implementing the provisions of the bill could be covered by utilizing existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house; otherwise, the bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 503 Texas Medical Board, 515 Board of Pharmacy, 529 Health and Human Services Commission, 537 State Health Services, Department of, 539 Aging and Disability Services, Department of

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