

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 7, 2007

TO: Honorable Bill Callegari, Chair, House Committee on Government Reform

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

IN RE: SB1834 by Hegar (Relating to treatment of pharmaceutical services provided through specialty and mail order pharmacy services operated under contracts between governmental entities and pharmacy benefit managers.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would require that certain revenues provided by a pharmaceutical manufacturer to a pharmacy benefit manager (PBM), under contracts that include specialty and mail order pharmacy services, be deposited to the General Revenue Fund; the Employee Life, Accident, and Health Insurance and Benefits Fund; the Retired School Employees Group Insurance Fund; and the Texas School Employees Uniform Group Coverage Trust Fund, respectively. It is unclear whether these deposits would be appropriated to the respective agencies--as under current law/general appropriations act.

The responding agencies indicate that any savings resulting from the bill would be offset by dispensing fees and administrative costs.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 515 Board of Pharmacy, 529 Health and Human Services Commission, 537 State Health Services, Department of

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