

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 18, 2007**

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

**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 Introduced**

**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

**LBB Staff:** JOB, CL, PP, VJC