BILL ANALYSIS

C.S.H.B. 2030
By: Zerwas
Public Health
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Medicaid Drug Utilization Review Program is operated by the Health and Human Services Commission (HHSC) to improve the quality of pharmaceutical care for Medicaid clients by ensuring that outpatient prescription drugs are appropriate, medically necessary, and not likely to result in adverse medical outcomes. The program includes two types of drug reviews to identify and monitor potential drug therapy problems that could lead to adverse medical outcomes: prospective drug use reviews, which occur at the point of sale, and retrospective drug use reviews, which examine prescription drug claims data to identify patterns of fraud, abuse, gross overuse, or medically unnecessary prescribing. Physicians identified in the claims data are sent patient-specific or drug-specific information with suggested changes in prescribing. These reviews serve as a cost-containment strategy by reducing spending associated with adverse medical outcomes and encouraging the use of cost-effective drugs.

C.S.H.B. 2030 requires HHSC to take specific steps to strengthen the Medicaid Drug Utilization Review Program. The bill requires HHSC to implement additional retrospective drug use reviews, improve the evaluation of program activities, and monitor and publish certain prescription drug data. The bill prohibits members of the Medicaid Drug Utilization Review board from having a contractual relationship, ownership interest, or other conflict of interest with a pharmaceutical manufacturer or labeler or with an entity engaged by HHSC to assist in the administration of the Medicaid Drug Utilization Review Program.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 2030 amends the Government Code to require the Health and Human Services Commission (HHSC) to provide for an increase in the number and types of retrospective drug use reviews performed each year under the Medicaid Drug Utilization Review Program, in comparison to the number and types of reviews performed in the state fiscal year ending August 31, 2009. The bill requires HHSC, in determining the number and types of drug use reviews to be performed, to allow for the repeat of retrospective drug use reviews that address ongoing drug therapy problems and that, in previous years, improved client outcomes and reduced Medicaid spending, to consider implementing disease-specific retrospective drug use reviews that address ongoing drug therapy problems in Texas and that reduced Medicaid prescription drug use expenditures in other states, and to regularly examine Medicaid prescription drug claims data to identify occurrences of potential drug therapy problems that may be addressed by repeating successful retrospective drug use reviews performed in Texas and other states. The bill requires HHSC to include in the program's annual report, in addition to any other information required by federal law, a detailed description of the program's activities and estimates of cost savings anticipated to result from the program's performance of prospective and retrospective drug use reviews. The bill requires the cost-saving estimates for prospective drug use reviews to include

savings attributed to drug use reviews performed through the vendor drug program's electronic claims processing system and clinical edits screened through the prior authorization system. The bill requires the commission to post the annual report regarding the program on the commission's website.

C.S.H.B. 2030 prohibits a member of the program board from having a contractual relationship, ownership interest, or other conflict of interest with a pharmaceutical manufacturer or labeler or with an entity engaged by HHSC to assist in the administration of the program. The bill authorizes the executive commissioner of HHSC to implement these provisions by adopting rules that identify prohibited relationships and conflicts or that require the board to develop a conflict-of-interest policy that applies to the board. The bill requires HHSC to monitor and analyze prescription drug use and expenditure patterns in the Medicaid program and to identify the therapeutic prescription drug classes and individual prescription drugs that are most often prescribed to patients or that represent the greatest expenditures. The bill requires HHSC to post the data from the analysis on the commission's website and update the information on a quarterly basis.

C.S.H.B. 2030 defines "Medicaid Drug Utilization Review Program," "prospective drug use review," and "retrospective drug use review."

C.S.H.B. 2030 requires a state agency that is affected by a provision of the bill to request a federal waiver or authorization if the agency determines that a waiver or authorization is necessary for the implementation of the provision, and it authorizes the agency to delay implementation until the federal waiver or authorization is obtained.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2030 differs from the original by removing the requirement that the analysis of prescription drug use and expenditure patterns conducted by the Health and Human Services Commission consider the number of claims, the total cost of paid claims, and the average cost per paid claim after any prescription drug rebates.