

BILL ANALYSIS

S.B. 704
By: Nelson
Public Health
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, if a state agency or university system that contracts with a pharmacy benefit manager receives a request for its contract pricing information from another agency, it generally informs the manager and refers the request to the office of the attorney general. The attorney general then rules as to whether the information is proprietary and confidential. It is the attorney general's opinion that contract pricing information shared between agencies does not fall into that category. This process does not prohibit agencies from sharing pricing information, but does discourage them from doing so, and is unnecessary and inefficient. State agencies can learn from each other's purchasing strategies and practices. As a consumer of pharmacy benefit manager services and a steward of taxpayer dollars, Texas has a right and obligation to make sure each dollar spent on state employees' prescription drugs is spent wisely.

S.B. 704 requires a state agency on request of another state agency to disclose information relating to the prices charged in connection with pharmacy benefit manager services.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 704 amends the Government Code to require a state agency, on request of another state agency, to disclose information relating to the amounts charged by a pharmacy benefit manager for pharmacy benefit manager services provided under a prescription drug program and other requested pricing information related to a contract for those services. The bill requires a state agency to provide the information requested not later than the 30th day after the request date. The bill does not require an agency to disclose information the agency is specifically prohibited from disclosing under a contract with a pharmacy benefit manager executed before September 1, 2009. The bill prohibits a contract entered, amended, or extended on or after September 1, 2009, from containing a provision that prohibits an agency from disclosing, under provisions regarding the purchase of pharmacy benefit manager services, information on the amounts charged by the manager for those services provided under a prescription drug program, or from disclosing under those provisions other pricing information related to the contract. The bill establishes that such information received by an agency from another agency is confidential and may not be disclosed to a person outside of the agency and its agents. The bill requires the agency receiving the information to maintain the confidentiality of the information by ensuring that only officers, employees, and agents of that agency who have a need to know the information have access to the information. The bill provides that provisions regarding the purchase of pharmacy benefit manager services are applicable in relation to an agency contract or proposed contract for those services without regard to whether the contract or proposed contract is otherwise subject to the State Purchasing and General Services Act. The bill defines "state agency."

EFFECTIVE DATE

September 1, 2009.