

1-1 By: Nelson S.B. No. 704  
1-2 (In the Senate - Filed February 6, 2009; February 25, 2009,  
1-3 read first time and referred to Committee on State Affairs;  
1-4 April 15, 2009, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 6, Nays 0; April 15, 2009,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 704 By: Lucio

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to disclosure of the prices charged to state agencies in  
1-11 connection with pharmacy benefit manager services.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Chapter 2158, Government Code, is amended by  
1-14 adding Subchapter H to read as follows:

1-15 SUBCHAPTER H. PURCHASE OF PHARMACY BENEFIT MANAGER SERVICES

1-16 Sec. 2158.401. DEFINITION; APPLICABILITY. (a) In this  
1-17 subchapter, "state agency" means a board, commission, department,  
1-18 office, or other agency in the executive, legislative, or judicial  
1-19 branch of state government that is created by the constitution or a  
1-20 statute of this state, including an institution of higher education  
1-21 as defined by Section 61.003, Education Code.

1-22 (b) This subchapter applies in relation to a state agency  
1-23 contract or proposed contract for pharmacy benefit manager services  
1-24 without regard to whether the contract or proposed contract is  
1-25 otherwise subject to this subtitle.

1-26 Sec. 2158.402. REQUIRED DISCLOSURE. (a) A state agency on  
1-27 request of another state agency shall disclose information relating  
1-28 to the amounts charged by a pharmacy benefit manager for pharmacy  
1-29 benefit manager services provided under a prescription drug program  
1-30 and other requested pricing information related to a contract for  
1-31 pharmacy benefit manager services. A state agency shall provide  
1-32 information requested under this section not later than the 30th  
1-33 day after the date the information is requested.

1-34 (b) Subsection (a) does not require a state agency to  
1-35 disclose information the agency is specifically prohibited from  
1-36 disclosing under a contract with a pharmacy benefit manager  
1-37 executed before September 1, 2009.

1-38 (c) A contract entered, amended, or extended on or after  
1-39 September 1, 2009, may not contain a provision that prohibits a  
1-40 state agency from disclosing under this subchapter information on  
1-41 the amounts charged by a pharmacy benefit manager for pharmacy  
1-42 benefit manager services provided under a prescription drug program  
1-43 or from disclosing under this subchapter other pricing information  
1-44 related to the contract.

1-45 Sec. 2158.403. CONFIDENTIALITY. The information received  
1-46 by a state agency under Section 2158.402 is confidential. The state  
1-47 agency that receives the information shall maintain the  
1-48 confidentiality of the information by ensuring that only officers,  
1-49 employees, and agents of the state agency who have a need to know  
1-50 the information have access to the information. The information  
1-51 may not be disclosed to a person outside of the state agency and its  
1-52 agents.

1-53 SECTION 2. This Act takes effect September 1, 2009.

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