

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 12, 2009**

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

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

**IN RE: HB1966** by Davis, John (Relating to an e-prescribing implementation plan under the Medicaid and child health plan programs.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

The bill requires that an e-Prescribing Implementation Plan be developed by the Health and Human Services Commission (HHSC) under the auspices of the Vendor Drug Program for Medicaid and the child health plan programs. The bill also requires that the implementation plan establish e-Prescribing standards and time frames for compliance of those standards, for pharmacists, practitioners, pharmacy benefit managers, and health plans that transmit prescriptions for Medicaid and child health plan programs. HHSC is required to submit two reports, including estimated costs or savings related to the e-Prescribing implementation plan, with an initial report being submitted to the Governor and the Legislative Budget Board (LBB) on December 1, 2009 and a final report submitted to the Governor and the LBB on December 1, 2010.

Should e-Prescribing be implemented cost savings may be achieved in the Vendor Drug, Medicaid and child health plan programs due to a reduction in medical errors, electronic and administrative efficiencies, and a reduction in fraud and abuse. Implementation costs for e-Prescribing may be offset if HHSC receives an allocation of federal Health Information Technology funds, which were appropriated under the American Recovery and Reinvestment Act, for the implementation of electronic health records and e-prescribing technology by states and health care providers.

This bill takes effect immediately if it receives a vote of two-thirds of all members elected to each house, or September 1, 2009 if a two thirds vote is not achieved.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 529 Health and Human Services Commission

**LBB Staff:** JOB, CL, MH, GD