

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 6, 2009

TO: Honorable Lois W. Kolkhorst, Chair, House Committee on Public Health

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

IN RE: HB3270 by Howard, Donna (Relating to the electronic transmission and certification of prescriptions under the medical assistance program.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill requires the Health and Human Services Commission (HHSC) to conduct a study and submit a report of state and federal laws relating to e-Prescribing in the medical assistance program. The bill specifically requests that a study be conducted to see if there are any required changes in the law to facilitate e-Prescribing, including laws relating to brand-name dispensing regulations and regulations allowing the dispensing of generic equivalents. Currently the Centers for Medicare and Medicaid Services regulations do not allow electronic prescribing of brand-name drugs in the medical assistance program. The bill does not require implementation of e-Prescribing. HHSC states that there are no associated system costs and that the study and report could be done using existing resources.

The bill requires that the Health and Human Services Commission consult with the Texas State Board of Pharmacy to draft and seek approval of a federal waiver, from the Centers for Medicare and Medicaid Services, to implement an electronic alternative for certifying "brand necessary" or "brand medically necessary" prescriptions that are deemed medically necessary under the rules of the medical assistance program. The report must be submitted to the Governor, Lieutenant Governor and Speaker of the House of Representatives by March 31, 2010.

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