

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: SB553 by Lucio (Relating to the disclosure of certain economic benefits provided to health professionals in the marketing of prescription drugs, medical devices, and medical supplies; providing penalties.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would add a new Subchapter O to the Health and Safety Code. The bill would require pharmaceutical and medical device or supply marketers, re-packagers and retailers to issue an annual report to the Department of State Health Services (DSHS) disclosing any gift, fee, payment, subsidy, or other economic benefit given, paid or provided to a physician, physician's office, hospital, nursing home, pharmacist, health benefit plan administrator, or other health professional. The bill would establish certain disclosure exemptions to this reporting requirement. DSHS would be required to adopt rules to implement the provisions of the bill.

The bill would establish an administrative penalty. The bill would authorize the Attorney General to impose a civil penalty of not more than \$10,000 for the failure to file a report. The bill would also establish that the reports required to be filed are public records under Chapter 552, Government Code.

Based on the analysis of the Office of the Attorney General and the Department of State Health Services, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources. The Comptroller of Public Accounts indicates that revenue impact from the collections of administrative or civil penalties for violations of the bill's provisions cannot be determined. The State Board of Pharmacy indicates there would be no cost to the agency.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 515 Board of Pharmacy, 537 State Health Services, Department of

LBB Staff: JOB, ES, CL, MW