

Amend CSSB 23 (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. CONTRACTS FOR PRESCRIPTION DRUG BENEFITS. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.0696 to read as follows:

Sec. 531.0696. CONSIDERATIONS IN AWARDING CERTAIN PRESCRIPTION DRUG BENEFITS CONTRACTS. (a) This section applies to:

(1) the vendor drug program for the Medicaid and child health plan programs;

(2) the kidney health care program;

(3) the children with special health care needs program; and

(4) any other state program administered by the commission that provides prescription drug benefits.

(b) The commission may not contract with a managed care organization, including a health maintenance organization, or a pharmacy benefit manager to provide prescription drug benefits under a program to which this section applies if the organization or pharmacy benefit manager, in connection with a bid, proposal, or contract with a governmental entity:

(1) in the preceding five years:

(A) made a material misrepresentation or committed fraud;

(B) committed a breach of contract;

(C) was convicted of violating a state or federal law; or

(D) was assessed a penalty or fine in the amount of \$100,000 or more in a state or federal administrative proceeding; or

(2) is the defendant in a pending state or federal criminal case or subject to a pending state or federal enforcement action.