

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 26, 2015

TO: Honorable Dan Patrick, Lieutenant Governor, Senate

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1243 by Burton (Relating to a pilot program for donation and redistribution of certain unused prescription medications; authorizing a fee.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 431 of the Health and Safety Code to require the Department of State Health Services (DSHS) to establish a pilot program for the donation and redistribution of prescription drugs and adopt rules to administer the program. The pilot program would be limited to one or more municipalities with a population between 500,000 and 1 million. The bill would require DSHS to accept, store, and distribute donated drugs as well as establish and maintain a searchable, electronic database of donated drugs. In addition, the bill would require DSHS to conduct a study determining the feasibility of establishing a program under which DSHS accepts and distributes certain unused drugs to public hospitals. The bill would require DSHS to report the results of the pilot program and feasibility study to the legislature.

DSHS indicates there would be a cost to operate the pilot program in a single municipality, some of which would be offset by the collection of handling fees as authorized by the bill. It is assumed that any remaining costs could be absorbed within available resources.

It is not anticipated that the bill would have a significant fiscal impact on the Medicaid program. According to HHSC, physicians who distribute prescription donated drugs to Medicaid recipients may bill the Medicaid program for costs associated with the administration of the prescription donated drug or the related office visit. It is assumed these costs would be offset by savings associated with less prescription drug costs billed to the Medicaid program. However, if the costs associated with the administration of the prescription donated drug or the related office visit are greater than the costs of the prescription drug, there could be a cost to the Medicaid program.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 537 State Health Services, Department of

LBB Staff: UP, ADe, NB, WP, VJC