

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

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**March 26, 2017**

**TO:** Honorable Richard Peña Raymond, Chair, House Committee on Human Services

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1917** by Raymond (Relating to contract requirements for prescription drug benefits provided by Medicaid managed care organizations.), **As Introduced**

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

The bill would extend certain requirements pertaining to Medicaid managed care organizations employing the state's vendor drug program formulary, preferred drug list (PDL), and prior authorization procedures through August 31, 2030.

The Health and Human Services commission (HHSC) conducted a study to identify potential savings attributed to carving the vendor drug program formulary, PDL, and prior authorization procedures into managed care. However, cost containment strategies identified in the study can be implemented by HHSC regardless of who controls the formulary, PDL, and prior authorization procedures; therefore, there are no significant costs or savings associated with the provisions of the bill.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

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

**LBB Staff:** UP, KCA, LR, RGU