

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 1, 2019

TO: Honorable Senfronia Thompson, Chair, House Committee on Public Health

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB3685** by Oliverson (Relating to pharmacy benefits provided through the Medicaid managed care program.), **Committee Report 1st House, Substituted**

<p>The fiscal implications of the bill cannot be determined at this time but a cost would be anticipated.</p>

The bill would require the Health and Human Services Commission (HHSC) in contracts with Medicaid managed care organizations to prohibit use of non-clinical prior authorizations or other barriers to a drug prescribed to medically fragile children if the drug is on the vendor drug program formulary, to provide for continued access to drugs provided to children enrolled in STAR Kids regardless of whether the drug is on the formulary, to prohibit use of protocols that require children enrolled in STAR Kids to first use drugs other than those recommended by their physician, and to require assessment of liquidated damages for failure to comply with these provisions. According to HHSC, the provisions of the bill may result in utilization of higher cost drugs or drugs not included on the vendor drug program formulary for which federal matching funds may not be available. The extent to which this would occur cannot be determined but a cost would be anticipated.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: WP, AKi, EP, MDI, LR