

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 6, 2019

TO: Honorable James B. Frank, Chair, House Committee on Human Services

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

IN RE: **SB1780** by Paxton (Relating to value-based arrangements in the Medicaid vendor drug program.), **As Engrossed**

The fiscal implications of the bill cannot be determined at this time, but there could be a positive fiscal impact to the state.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill. The Health and Human Services Commission is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the commission may, but is not required to, implement a provision of this Act using other appropriations available for that purpose.

The bill would authorize the Health and Human Services Commission to enter into certain value-based arrangements with prescription drug manufacturers. It is assumed any administrative costs associated with implementation of the bill would be minimal and could be absorbed within the available resources of the agency. The fiscal impact of the value-based arrangements cannot be determined but if implemented, they would be expected to either reduce costs or increase rebate revenue resulting in a positive fiscal impact to the state.

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