

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 4, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2822 by Hull (Relating to the availability of antipsychotic prescription drugs under the vendor drug program and Medicaid managed care.), **As Introduced**

The fiscal implications of the bill are expected to increase the cost of providing antipsychotic medications to adults enrolled in Medicaid and reduce the amount of vendor drug rebates received, but the exact fiscal impact cannot be determined at this time because the shift between preferred and non-preferred medications is unknown.

The bill would prohibit the Health and Human Services Commission (HHSC), in the rules and standards governing the Medicaid vendor drug program, from requiring clinical, nonpreferred, or other prior authorization for an antipsychotic drug prescribed to an adult if certain conditions are met. The provisions of the bill would apply to Medicaid fee-for-service and managed care. The provisions of the bill would likely increase the cost of providing antipsychotic drugs to adults enrolled in Medicaid and also reduce the amount of vendor drugs rebates received, however the exact cost cannot be determined at this time because the shift between preferred and non-preferred medications is unknown.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Hlth & Human Svcs Comm

LBB Staff: JMc, AKI, JLI, RD