

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 26, 2021

TO: Honorable Dan Patrick, Lieutenant Governor, Senate

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB800 by Nelson (Relating to certain required reports or information received or prepared by state agencies and other governmental entities.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated as a result of implementing the provisions of the bill related to certain required reports.

The fiscal impact of implementing the provisions of the bill related to the vendor drug program pricing standard cannot be determined at this time because the Health and Human Services Commission does not have access to the information used by pharmacies to calculate the usual and customary price of prescription drugs.

It is assumed that the costs associated with the bill's provisions related to certain required reports could be absorbed using existing resources.

The bill would amend Section 32.0462 of the Human Resources Code, relating to the vendor drug program pricing standard, to require that before adopting or enforcing a rule or policy under the section that requires a pharmacy to determine the usual and customary price of a prescription drug using a method of calculation that takes into account discount prices offered through third-party discount programs, the Health and Human Services Commission (HHSC) to study the financial impact of the rule or policy on pharmacies and uninsured consumers.

HHSC does not collect information or have the authority to gain access to the information needed to complete the study, therefore it is assumed there would be no fiscal implication to the State directly related to the study requirement. However, not completing the study would result in the inability of HHSC to adopt or enforce certain rules or policies. If the prohibition would result in a change in the way the usual and customary price of prescription drugs are calculated, it is possible there would be an increased cost to the State to provide pharmaceutical benefits to Medicaid recipients. However, the fiscal implications of changing the calculation cannot be determined at this time because HHSC does not have access to the information used by pharmacies to calculate the usual and customary price.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 300 Trusteed Programs - Gov, 304 Comptroller of Public Accounts, 308 State Auditor's Office, 320 Texas Workforce Commission, 503 Texas Medical Board, 529 Hlth & Human Svcs Comm

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