

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**May 7, 2021**

**TO:** Honorable Tom Oliverson, Chair, House Committee on Insurance

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: SB2195** by Kolkhorst (Relating to the relationship between pharmacists or pharmacies and pharmacy benefit managers or health benefit plan issuers.), **As Engrossed**

The Texas Health and Human Services Commission (HHSC) indicates that the cost cannot be determined at this time.

HHSC 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 agency may, but is not required to, implement a provision of this Act using other appropriations available for that purpose.

The bill would amend the Occupations Code and Insurance Code relating to the relationship between pharmacists or pharmacies and pharmacy benefit managers or health benefit plan issuers. The bill would prohibit a pharmacy benefit manager (PBM) from directly or indirectly reducing the amount of a claim payment to a pharmacist or pharmacy after adjudication of the claim, and prohibit a health benefit plan issuer from requiring higher accreditation standards or recertification requirements than the state or federal government. The bill would also prohibit a PBM from requiring an enrollee to use a mail order pharmacy, and a health benefit care issuer or pharmacy benefit manager from making it a condition of a contract to restrict the pharmacy/pharmacist from mailing or delivering a drug to a patient on their request. The bill would affect plans entered into or renewed on or after September 1, 2021.

According to the Health and Human Services Commission (HHSC), the provisions of the bill would limit a PBM's ability to recoup payment from a pharmacy after claims adjudication in cases where a pharmacy did not meet performance metrics. While HHSC anticipates this would result in an increase in pharmacy claims costs, the agency is unable to determine the cost at this time. The bill states HHSC would be required to implement the provisions of the bill only if the Legislature appropriates money specifically for that purpose.

**Local Government Impact**

The fiscal implications of the bill cannot be determined at this time.

**Source Agencies:** 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance, 529 Hlth & Human Svcs Comm, 710 Texas A&M Univ System Admin, 720 UT Sys Admin

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