

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**May 15, 2023**

**TO:** Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

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

**IN RE: HB3286** by Klick (Relating to prescription drug benefits under Medicaid and the child health plan program.), **As Engrossed**

The fiscal implications of the bill cannot be determined due to the uncertainty regarding the number of clients who would shift to non-preferred drugs as a result of exceptions to the preferred drug list.

The bill would require the Health and Human Services Commission (HHSC) to ensure that the vendor drug program includes all drugs and national drug codes made available on the federal Medicaid Drug Rebate Program.

The bill would establish exceptions to the preferred drug list adhered to by the Medicaid and child health plan programs. According to the Health and Human Services Commission, the bill could result in a reduction of federal and supplemental rebates due to a shift towards higher net cost non-preferred drugs. However, due to a lack of information regarding the effects on utilization, the fiscal impact cannot be determined at this time.

HHSC estimates that one additional full-time equivalent would be necessary to provide program support and technology updates would be required to implement the provisions of the bill.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 529 Health and Human Services Commission

**LBB Staff:** JMc, NPe, ER, CST