BILL ANALYSIS

Senate Research Center
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S.B. 1098
By: Blanco
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Over the past decade, the cost of retail medications has significantly increased, placing a heavy financial burden on Texas patients, particularly seniors. A report on prescription drug costs from 2006 to 2020 found that average annual price increases for commonly used specialty medications have consistently outpaced the general inflation rate. As a result, patients now pay three-and-a-half times more for medications than before. This sharp rise in drug prices has forced many Texans to choose between paying for their medications and other essential expenses.

A contributing factor to higher costs is overpayment at the point of sale, when a patient's co-payment exceeds the actual cost of the medication, with the insurer or pharmacy benefit manager (PBM) keeping the difference. A study published in the Journal of the American Medical Association analyzed data from the Centers for Medicare and Medicaid Services (CMS) and found that 23 percent of all prescriptions and 28 percent of generic drugs involved co-pay overpayments. The average overpayment for generic drugs was $7.32 per prescription and $13.46 per brand-name drugs. These overpayments exacerbate financial strain on patients, hindering adherence to treatments and increasing the risk of negative health outcomes. S.B. 1098 aims to address these overpayments by requiring pharmacists to disclose the lowest cash price available at their pharmacy for each drug prescribed to a patient.

As proposed, S.B. 1098 amends current law relating to the disclosure by a pharmacy to a patient of certain price information for a drug or biological product.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 562.003, Occupations Code, to require a pharmacy to disclose the lowest cost cash price at that pharmacy for the drug or biological product prescribed to the patient and to make nonsubstantive changes.

SECTION 2. Effective date: September 1, 2025.