

House Bill 4638
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION (IE)	CONFERENCE
<p>SECTION 1. Section 2177.003(a), Government Code, is amended to read as follows:</p> <p>(a) The initiative is governed by a board composed of <u>five</u> three members appointed by the governor.</p>	<p>SECTION 1. Same as House version.</p>	
<p>SECTION 2. Chapter 2177, Government Code, is amended by adding Section 2177.0035 to read as follows:</p> <p><u>Sec. 2177.0035. TERMS; VACANCIES. (a) Board members serve staggered six-year terms, with one-third or as near as possible to one-third of the members' terms expiring February 1 of each odd-numbered year.</u></p> <p><u>(b) A vacancy on the board shall be filled for the unexpired term in the same manner as the original appointment.</u></p>	<p>SECTION 2. Same as House version.</p>	
<p>SECTION 3. Section 2177.006, Government Code, is amended to read as follows:</p> <p>Sec. 2177.006. BUSINESS PLAN. Not later than <u>June 1 of each even-numbered year</u> October 1, 2024, the board shall <u>prepare</u> develop and submit to the governor, the legislature, and the Legislative Budget Board a business plan on:</p> <p>(1) implementing the initiative, including the initiative's organizational structure and related programs;</p> <p>(2) establishing procedures and policies for the administration of the initiative, including documenting the process and resources required for the provision to individuals described by Section 2177.002 of the following services:</p> <p>(A) establishing or contracting for statewide pharmacy benefit manager services;</p>	<p>SECTION 3. Same as House version.</p>	

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<p>(B) establishing policies and conditions to operate or contract for the operation of a distribution network, central service center, and associated network of satellite distribution facilities to distribute prescription drugs and related medical supplies; and</p> <p>(C) providing advanced pharmaceutical preparation and related services, including:</p> <p>(i) manufacturing generic drugs and generic biological products;</p> <p>(ii) providing gene therapies and precision medicine; and</p> <p>(iii) providing advanced laboratories for quality control, preparation, and compounding of drugs in support of innovative therapeutics and drug research;</p> <p>(3) establishing procedures to document compliance by board members and personnel with applicable laws governing conflicts of interest;</p> <p>(4) establishing the conditions for state agencies that facilitate health plans to participate in the initiative;</p> <p>(5) identifying potential cost savings from implementation of the initiative;</p> <p>(6) identifying the funding and resources needed to implement this chapter;</p> <p><u>(7) providing recommendations on best practices and cost savings related to the provision of pharmacy benefits using program utilization;</u> and</p> <p><u>(8) [(7)]</u> providing other board recommendations, with supporting documentation, on continuation of the initiative.</p>		

SECTION 4. Section 2177.010, Government Code, is amended to read as follows:

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Sec. 2177.010. EXPIRATION OF CHAPTER. This chapter expires September 1, <u>2031</u> [2025].	Sec. 2177.010. EXPIRATION OF CHAPTER. This chapter expires September 1, <u>2027</u> [2025]. [FA1]	
SECTION 5. (a) As soon as practicable after the effective date of this Act, the governor shall appoint the governing board members for the Texas Pharmaceutical Initiative as required by Section 2177.003, Government Code, as amended by this Act. (b) Notwithstanding Section 2177.0035, Government Code, as added by this Act, in making the appointments of the governing board members for the Texas Pharmaceutical Initiative under Subsection (a) of this section, the governor shall designate: (1) two members to serve terms expiring February 1, 2027; (2) two members to serve terms expiring February 1, 2029; and (3) one member to serve a term expiring February 1, 2031.	SECTION 5. Same as House version.	
SECTION 6. This Act takes effect September 1, 2025.	SECTION 6. Same as House version.	