

BILL ANALYSIS

H.B. 3035
By: Martinez, "Mando"
Human Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The 82nd Texas Legislature enacted legislation implementing pharmacy managed care in Texas. Stakeholders supported the change with the admirable goal of saving costs, but unexpected consequences have been noted in certain areas of the state. Concerned observers note that in South Texas, many independent pharmacies were unable to shoulder the burden of the deep cuts to reimbursement rates, which has resulted in dozens of independent pharmacies closing. With the negative impact reported in some communities, coupled with questions that have arisen as to the business practices of managed care organizations and pharmacy benefit managers, some observers feel there is a need to revisit the estimated savings calculated in evaluating the effect of that legislation. H.B. 3035 seeks to address these concerns.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3035 requires the Health and Human Services Commission (HHSC) to conduct a study on the accuracy of the Legislative Budget Board's estimate that the changes in law made by Chapter 7 (S.B. 7), Acts of the 82nd Legislature, 1st Called Session, 2011, would produce a savings of \$467,628,328 for the state during the fiscal biennium ending August 31, 2013. The bill requires HHSC, in conducting the study, to focus on the savings achieved by the changes in law relating to the expansion of Medicaid managed care, particularly with regard to the increase in the provision of prescription drugs and other pharmacy benefits provided through Medicaid managed care organizations. The bill requires HHSC, not later than December 31, 2016, to submit a report containing the results of the study to the governor, lieutenant governor, and speaker of the house of representatives. The bill's provisions expire December 31, 2017.

EFFECTIVE DATE

September 1, 2015.