

## **BILL ANALYSIS**

Senate Research Center  
77R2403 MCK-D

S.B. 894  
By: Moncrief  
Health & Human Services  
3/20/2001  
As Filed

### **DIGEST AND PURPOSE**

Texas spends a considerable amount of state funds on prescription drugs, however, the state has not explored the possibility of purchasing all pharmaceuticals for state agencies in bulk.

As proposed, S.B. 894 amends the Health and Safety Code by adding Chapter 110 to create an interagency council on bulk purchasing. The purpose of the council is to coordinate the purchasing efforts of the agencies and negotiate lower prices on drugs by purchasing in bulk.

### **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 Title 2E, Health and Safety Code, by adding Chapter 110, as follows:

#### **CHAPTER 110. INTERAGENCY COUNCIL ON PHARMACEUTICALS BULK PURCHASING**

Sec. 110.001. DEFINITION. Defines “council” as the Interagency Council on Pharmaceuticals Bulk Purchasing.

Sec. 110.002. BULK PURCHASING COUNCIL. Provides that the council is composed of one officer or employee from certain agencies, appointed by the administrative head of that agency.

Sec. 110.003. PRESIDING OFFICER. Provides that the position of presiding officer rotates among the members of the council according to the procedures adopted by the council. Provides that a term as presiding officer is two years and expires on February 1 of each odd-numbered year.

Sec. 110.004. COMPENSATION. Provides that service on the council is an additional duty of a member’s office or employment. Entitles a member to reimbursement of travel expenses incurred by the member while conducting the business of the council, as provided by the General Appropriations Act, but provides that the member is not entitled to compensation.

Sec. 110.005. SUPPORT STAFF. Requires the council’s member agencies to provide the staff for the council.

Sec. 110.006. COUNCIL POWERS AND DUTIES. (a) Requires the council to develop procedures that member agencies are required to follow in purchasing pharmaceuticals.

(b) Requires the council to designate one member agency to be the central purchasing

agency for purchasing pharmaceuticals.

(c) Requires the council to use existing distribution networks to distribute the pharmaceuticals.

Sec. 110.007. MEMORANDUM OF UNDERSTANDING. Requires each state agency represented on the council to enter into a memorandum of understanding with the central purchasing agency to purchase pharmaceuticals.

Sec. 110.008. REPORT. Requires the council to file a report with the Legislative Budget Board that details the amount of money the state saves by purchasing pharmaceuticals in bulk.

SECTION 2. Effective date: September 1, 2001.