

**SUBJECT:** Allowing exceptions for the Medicaid preferred drug list

**COMMITTEE:** Health Care Reform, Select — committee substitute recommended

**VOTE:** 7 ayes — Harless, Howard, Bonnen, Bucy, Klick, Oliverson, Price  
0 nays  
4 absent — Frank, E. Morales, Rose, Walle

**WITNESSES:** For — Karen Tadlock, Superior Health Plan; Jamie Dudensing, Texas Association of Health Plans (*Registered, but did not testify*: Elisa Hernandez, El Paso Health; Meredith Cooke, Texas Children’s Health Plan)  
  
Against — (*Registered, but did not testify*: Brynna Clark, PhRMA; Danielle Lobsinger Bush, Texas Healthcare and Bioscience Institute)  
  
On — Terri Carriker, Protect Texas Fragile Kids; Linda Litzinger, Texas Parent to Parent (*Registered, but did not testify*: Priscilla Parrilla, Health & Human Services Commission; Caitlin Flanders, Texas Medical Association)

**BACKGROUND:** Some have suggested that certain restrictions on prescription medications in the Medicaid program may contribute to negative health outcomes.

**DIGEST:** CSHB 3286 would establish that a Medicaid managed care organization was not required to adhere to the preferred drug list for the Medicaid Vendor Drug Program. The organization would be required to grant an exception to the list for certain reasons related to the drug’s effectiveness or likelihood to cause adverse reactions or if:

- the preferred drug was not in the best interest of the recipient because the drug was expected to cause a significant barrier to the recipient’s adherence to or compliance with the plan of care;
- the recipient had been prescribed and was taking a nonpreferred

- antidepressant or antipsychotic drug before being discharged from an inpatient facility, and the recipient was stable on the preferred drug and at risk of complications from switching to another drug;
- the preferred drug was not available for reasons outside of the managed care organization's control; or
  - the preferred drug was not available at a pharmacy located within a 10-mile radius of the recipient.

These exceptions would apply only to an outpatient pharmacy benefit plan implemented by a Medicaid managed care organization.

The Health and Human Services Commission would be required to make an internet-based, searchable database available through which a provider could search the applicable preferred drug list to easily determine whether a prescription drug or drug class was subject to any prior authorization requirement, clinical edits, or other clinical restrictions. HHSC would be required to make reasonable efforts to ensure the database contained current information.

If a state agency determined that a waiver or authorization from a federal agency was necessary to implement the bill, the agency would be required to request the waiver and could delay implementation until the waiver or authorization was granted.

The bill would take effect September 1, 2023.

NOTES:

According to the Legislative Budget Board, the fiscal implications of the bill could not be determined due to the unknown number of clients who would shift to non-preferred drugs as a result of exceptions to the preferred drug list.