

## **BILL ANALYSIS**

Senate Research Center  
77R2343 KLA-D

S.B. 895  
By: Moncrief  
Health & Human Services  
3/20/2001  
As Filed

### **DIGEST AND PURPOSE**

The cost of prescription drugs has risen 48 percent in the past eight years. Because older adults are more likely to be regular users of prescription drugs and less likely to have prescription drug coverage, necessary prescription drugs are a significant out-of-pocket expense. As proposed, S.B. 895 creates a state pharmaceutical assistance program to serve certain Medicare beneficiaries.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Health and Human Services Commission in SECTION 1 (Sections 531.302 and 531.304, Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 531, Government Code, by adding Subchapter I, as follows:

#### **SUBCHAPTER I. STATE PRESCRIPTION DRUG PROGRAM**

Sec. 531.301. DEVELOPMENT AND IMPLEMENTATION OF STATE PROGRAM; FUNDING. (a) Requires the Health and Human Services Commission (commission) to develop and implement a state prescription drug program that operates in the same manner as the vendor drug program operates in providing prescription drug benefits to recipients of medical assistance under Chapter 32 (Medical Assistance Program), Human Resources Code.

(b) Sets forth criteria for eligibility for prescription drug benefits under the state program.

(c) Authorizes prescription drugs under the state program to be funded only with state money.

Sec. 531.302. RULES. Requires the commission to adopt all rules necessary for implementation of the state prescription drug program. Requires the rules, except as provided by this subchapter, to be designed to result in a state program that is substantively identical to the vendor drug program operated under the medical assistance program under Chapter 32, Human Resources Code, except to the extent that programmatic differences are appropriate because of the populations served by those programs and the sources of funding for those programs.

Sec. 531.303. COST-SHARING PAYMENTS PROHIBITED. Prohibits the commission from requiring a person who is eligible for prescription drug benefits under the state program to pay for a premium, a deductible, coinsurance, or another cost-sharing payment.

Sec. 531.304. GENERIC EQUIVALENT AUTHORIZED. Authorizes the commission, in adopting rules under the state program, to require that, unless the practitioner's signature on a prescription clearly indicates that the prescription must be dispensed as written, the pharmacist

may select a generic equivalent of the prescribed drug.

SECTION 2. Requires the commission to develop and implement the state prescription drug program under Chapter 531I, Government Code, as added by this Act, not later than January 1, 2002.

SECTION 3. Effective date: September 1, 2001.