BILL ANALYSIS

Senate Research Center

S.B. 1645
By: Van de Putte
Health & Human Services
9/2/2009
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Physician practices are increasingly turning to specialty pharmacies to provide patient adherence to services that they provide because these practices lack the administrative resources and staff to manage the complex pharmaceutical care associated with specialty products.

There are few specialty pharmacies that provide patient adherence and therapy management services for certain high-cost specialty drug therapies. These adherence programs can involve total patient case management, including insurance and verification, prior authorization processing, coordination of product delivery of patient appointments, caregiver education, and monitoring of patient health status.

The changes in the Vendor Drug Program (program) dispensing fee formula, made in December 2007, reduced the reimbursement to levels that fail to cover specialty pharmacy costs for certain drugs and the adherence services. This change affects therapy for premature infants and babies at risk of respiratory syncytial virus, among other specialty pharmacy products.

S.B. 1645 relates to the distribution of a prescription drug and a study of the feasibility of establishing separate reimbursement under the Medicaid vendor program for certain pharmacy care services.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 5 (Section 431.4031, Health and Safety Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. DEFINITION. Defines "pharmacy care management services."

SECTION 2. STUDY. (a) Requires the Health and Human Services Commission (HHSC) to study the feasibility of establishing separate reimbursement rates under the Medicaid vendor drug program for pharmacies that provide pharmacy care management services to patients who are administered specialty pharmacy drugs, including drugs indicated for the prophylaxis of respiratory syncytial virus, blood factor, or any other biologic or therapy that requires complex care.

(b) Requires HHSC, in conducting the study under Subsection (a) of this section, to consult with the Centers for Medicare and Medicaid Services and authorizes HHSC to consider adoption of pharmacy care management services reimbursement for pharmacy services adopted by other state Medicaid programs.

(c) Requires HHSC to seek information from specialty pharmacy providers or other sources regarding the costs of providing pharmacy care management services.

(d) Requires HHSC, not later than September 1, 2010, to submit a written report of the results of the study conducted under Subsection (a) of this section to the legislature.

SECTION 3. NORMAL DISTRIBUTION CHANNEL. Amends Section 431.401(5), Health and Safety Code, to redefine "normal distribution channel."

SECTION 4. EXEMPTION FROM CERTAIN PROVISIONS FOR CERTAIN WHOLESALE DISTRIBUTORS. Amends Section 431.4031, Health and Safety Code, as follows:

Sec. 431.4031. EXEMPTION FROM CERTAIN PROVISIONS FOR CERTAIN WHOLESALE DISTRIBUTORS. (a) Creates this subsection from existing text.

(b) Provides that a state agency or a political subdivision of this state that distributes prescription drugs using federal or state funding to nonprofit health care facilities or local mental health or mental retardation authorities for distribution to a pharmacy, practitioner, or patient is exempt from Sections 431.405(b) (relating to requirements the designated representative of an applicant or license holder must meet in order to qualify for the issuance or renewal of a wholesale distributor license under this subchapter), 431.407 (Criminal History Record Information), 431.408 (Bond), 431.412 (Pedigree Required), and 431.413 (Pedigree Contents).

(c) Authorizes the executive commissioner of HHSC (executive commissioner) by rule to exempt specific purchases of prescriptions drugs by state agencies and political subdivisions of this state if the executive commissioner determines that the requirements of this subchapter would result in a substantial cost to the state or a political subdivision of the state.

SECTION 5. RULES. Require the executive commissioner, as soon as practicable after the effective date of this Act, to adopt, modify, or repeal rules as necessary to implement the changes in law made by this Act to Chapter 431 (Texas Food, Drug, and Cosmetic Act), Health and Safety Code.

SECTION 6. EFFECTIVE DATE. Effective date: upon passage or September 1, 2009.