BILL ANALYSIS

Senate Research Center 81R7804 ALB-F S.B. 1645 By: Van de Putte Health & Human Services 4/24/2009 As Filed

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.

As proposed, S.B. 1645 requires the Health and Human Services Commission or the governing body of an agency operating part of the medical assistance program, as appropriate, to establish reimbursement rates under the program for pharmacies that provide pharmacy care management services for recipients of medical assistance. The bill requires that the required reimbursement rates be separate from the reimbursement rates provided for the relevant specialty pharmacy products.

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 Subchapter B, Chapter 32, Human Resources Code, by adding Section 32.0464, as follows:

Sec. 32.0464. REIMBURSEMENT UNDER VENDOR DRUG PROGRAM FOR CERTAIN PHARMACY CARE MANAGEMENT SERVICES. (a) Defines "pharmacy care management services" and "specialty pharmacy product."

(b) Requires the Health and Human Services Commission or an agency operating part of the medical assistance program, as appropriate, (department) to establish reimbursement rates under the vendor drug program for pharmacies that provide pharmacy care management services for recipients of medical assistance. Requires that the reimbursement rates required by this subsection be separate from the reimbursement rates provided for the relevant specialty pharmacy products.

(c) Requires a pharmacy that seeks reimbursement under this section to provide verification that pharmacy care management services were provided in connection with a specialty pharmacy product provided by the pharmacy.

(d) Requires the department to consult with pharmacies that provide pharmacy care management services to determine reimbursement rates based on accurate costs of products, services, and administrative costs described by this section.

SECTION 2. Requires the department, if necessary for implementation of this Act, to request a waiver or authorization from a federal agency, and authorizes delay of implementation until such waivers or authorizations are granted.

SECTION 3. Effective date: September 1, 2009.