

BILL ANALYSIS

Senate Research Center
81R4717 YBD-D

S.B. 704
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, if a state agency or university system that contracts with a pharmacy benefit manager (PBM) receives a request for their contract pricing information from another agency, they typically inform the PBM and refer the request to the Office of the Attorney General (OAG). OAG then rules whether the information is proprietary and confidential. It is the OAG's opinion that contract pricing information shared between agencies does not fall into this category. This process does not prohibit agencies from sharing pricing information, but it discourages them from doing so and is unnecessary and inefficient. State agencies can learn from each other's purchasing strategies and practices. As a consumer of PBM services and a steward of taxpayer dollars, the State of Texas has a right and obligation to make sure each dollar spent on state employees' prescription drugs is spent wisely.

As proposed, S.B. 704 requires a state agency on request of another state agency to disclose information relating to the amounts charged by a PBM for PBM services and other requested pricing information related to a contract for PBM services. This bill does not require any state agency to disclose information the agency is prohibited from disclosing under contract with a PBM executed before September 1, 2009.

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 Chapter 2158, Government Code, by adding Subchapter H, as follows:

SUBCHAPTER H. PURCHASE OF PHARMACY BENEFIT MANAGER SERVICES

Sec. 2158.401. DEFINITION; APPLICABILITY. (a) Defines "state agency."

(b) Provides that this subchapter applies in relation to a state agency contract or proposed contract for pharmacy benefit manager services without regard to whether the contract or proposed contract is otherwise subject to this subtitle.

Sec. 2158.402. REQUIRED DISCLOSURE. (a) Requires a state agency on request of another state agency to disclose information relating to the amounts charged by a pharmacy benefit manager for pharmacy benefit manager services provided under a prescription drug program and other requested pricing information related to a contract for pharmacy benefit manager services. Requires a state agency to provide information requested under this section not later than the 30th day after the date the information is requested.

(b) Provides that Subsection (a) does not require a state agency to disclose information the agency is specifically prohibited from disclosing under a contract with a pharmacy benefit manager executed before September 1, 2009.

(c) Prohibits a contract entered, amended, or extended on or after September 1, 2009, from containing a provision that prohibits a state agency from disclosing under this subchapter information on the amounts charged by a pharmacy benefit

manager for pharmacy benefit manager services provided under a prescription drug program or from disclosing under this subchapter other pricing information related to the contract.

Sec. 2158.403. CONFIDENTIALITY. Provides that the information received by a state agency under Section 2158.402 is confidential and is prohibited from being disclosed to a person outside of the state agency and its agents.

SECTION 2. Effective date: September 1, 2009.