

BILL ANALYSIS

Senate Research Center
88R14435 JTZ-D

S.B. 2212
By: Blanco
Health & Human Services
4/14/2023
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The cost of retail medications has increased over the last 10 years, placing significant financial strain on Texas patients, especially senior citizens. A prescription watch report on cost trends of the most widely used retail specialty drugs by older Americans from 2006 to 2020 showed the average annual increases in the prices of these medications have consistently exceeded the general inflation rate since 2006. As a result, medications today cost patients three and a half times more. These significant spikes in the price of prescription drugs have forced millions of Texans to choose between their medication or paying for other necessities.

A contributing factor to why medications cost patients more occurs at the point-of-sale. Overpayment is when a patient's co-payment exceeds the total cost shared between the patient and the payer, with the insurer or pharmacy benefit manager (PBM) keeping the difference. In a study published in the Journal of the American Medical Association, legislation targeting overpayments for lowering patient expenses has been recommended by researchers. The study evaluated the consequence of co-payments exceeding prescription drug costs using Centers for Medicare & Medicaid Services data to assess the percentage of pharmacy claims with patient co-pay overpayment. Overpayments at point-of-sale were common, with 23 percent of all prescriptions and 28 percent of generic medicines affected. The mean overpayment for generic drugs was on average \$7.32 per member and significantly larger on brand name drugs averaging \$13.46. Researchers also noted that increased patient costs might exacerbate their inability to adhere to treatment and ultimately increase the risk of adverse health outcomes.

S.B. 2212 requires a pharmacist to disclose to each patient the lowest cost option at that pharmacy, to include prescription drug discount programs, that would result in a lower cost to the patient than the copayment under the patient's prescription drug insurance plan. This will mitigate over-payment, improve long-term patient outcomes, and reduce overall healthcare costs to the state.

As proposed, S.B. 2212 amends current law relating to the disclosure by a pharmacy to a patient of certain price information for a drug or biological product.

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 Section 562.003, Occupations Code, as follows:

Sec. 562.003. DISCLOSURE OF PRICE; PATIENT'S OPTION. (a) Requires a pharmacy to disclose to each patient the lowest cost option at that pharmacy for the drug or biological product prescribed to the patient, including any available discount prescription drug programs that result in a lower cost to the patient than the amount of the patient's copayment under the patient's prescription drug insurance plan.

(b) Creates this subsection from existing text.

SECTION 2. Effective date: September 1, 2023.