

## **BILL ANALYSIS**

Senate Research Center  
88R24810 JTZ-D

C.S.S.B. 2212  
By: Blanco  
Health & Human Services  
4/21/2023  
Committee Report (Substituted)

### **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.

(Original Author's/Sponsor's Statement of Intent)

C.S.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 the lowest cost cash price at that pharmacy for the drug or biological product prescribed to the patient.

(b) Creates this subsection from existing text.

SECTION 2. Effective date: September 1, 2023.