

BILL ANALYSIS

S.B. 1780
By: Paxton
Human Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been noted that rising health care costs and constrained budgets have compelled policymakers nationwide to seek more innovative solutions to contain costs, including prescription drug costs, while also providing for high-quality health care. It has been suggested that such solutions include the implementation of various types of value-based payment arrangements to ensure access to health care services while maintaining affordability. S.B. 1780 seeks to authorize the Health and Human Services Commission to enter into a value-based arrangement for the Medicaid vendor drug program.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1780 amends the Government Code to authorize the Health and Human Services Commission (HHSC) to enter into a value-based arrangement for the Medicaid vendor drug program by written agreement with a manufacturer of prescription drugs as defined by federal law, including a subsidiary or affiliate of a manufacturer, based on outcome data or other metrics to which the state and the manufacturer agree in writing. The value-based arrangement may include a rebate, a discount, a price reduction, a contribution, risk sharing, a reimbursement, payment deferral or installment payments, a guarantee, patient care, shared savings payments, withholds, a bonus, or any other thing of value.

S.B. 1780 requires HHSC to implement a provision of the bill only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, HHSC may, but is not required to, implement a provision of the bill using other appropriations available for that purpose.

EFFECTIVE DATE

September 1, 2019.