

## **BILL ANALYSIS**

Senate Research Center  
77R5279 KKA-D

S.B. 556  
By: Duncan  
Health & Human Services  
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As Filed

### **DIGEST AND PURPOSE**

Currently, more than a third of Texas' Medicare recipients (primarily elderly people) are not covered under any prescription drug plan. Some are, but the coverage is inadequate. Those without prescription drug coverage pay retail prices for prescriptions, which can be financially burdensome. As proposed, S.B. 556 authorizes Medicare recipients to purchase pharmaceutical drugs at the lower Medicaid price. Pharmacies that opt to participate in the state's Medicaid program are required to sell Medicare recipients' drugs at the Medicaid price. The Texas Department of Health is required to monitor compliance with these requirements and to evaluate their effect on the availability of prescription drugs to Medicaid and Medicare recipients.

### **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 32B, Human Resources Code, to add Section 32.0462, as follows:

Sec. 34.0462. VENDOR DRUG PROGRAM; PARTICIPATION REQUIREMENT. (a) Requires a drug provider in the vendor drug program, as a condition of participation, to provide any prescription drug available to a recipient of medical assistance under the program to a Medicare recipient at a certain price.

(b) Sets forth requirements for a Medicare recipient to receive the price required by this section from a provider.

(c) Requires the Health and Human Services Commission or an agency operating part of the Medical assistance program, as appropriate (department), to ensure that information concerning prices that may be charged under this section is readily available to providers participating in the vendor drug program.

(d) Requires the department to monitor provider compliance with this section and evaluate the effect of the requirements imposed by this section on the availability of prescription drugs to recipients of Medicare and medical assistance, including whether the number of providers under the vendor drug program declines as a result of the requirements.

(e) Requires the department, not later than January 1, of each year, to submit a report to the legislature containing the information obtained and developed by the department under Subsection (d).

SECTION 2. Requires a state agency affected by a provision of this Act, if before implementing the provision it determines that a waiver or authorization from a federal agency is necessary for

implementation of that provision, to request the waiver or authorization. Authorizes the agency to delay implementing that provision until the waiver or authorization is granted.

SECTION 3. Effective date: September 1, 2001.