

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 887 – SB 963

March 15, 2019

SUMMARY OF BILL: Enacts the *Prescription Drug Fair Pricing Act*. Requires the Commissioner of the Department of Health (DOH), in consultation with the Division of TennCare (Division) and the State Insurance Committee (Committee), to examine changes in prices for essential generic drugs in prescription drug programs operated by state government for the last five fiscal years.

Requires, on or before January 15, 2020, the Commissioner of DOH to report the findings of the study and any recommendations for legislation or other appropriate action to prevent price gouging for essential generic drugs to the Health Committee of the House of Representatives and the Health and Welfare Committee of the Senate.

Requires, on or before January 15, 2020, the Commissioner of the Department of Commerce and Insurance (DCI) to examine issues relating to requiring price transparency in prescription drug pricing, and to report the findings of the study and any recommendations for legislation or other appropriate action to implement price transparency for prescription drugs to the Health Committee of the House of Representatives and the Health and Welfare Committee of the Senate.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The Commissioner of the DOH will consult with the Division and the Committee to examine changes in prescription drug prices and report the findings utilizing existing resources without a significant increase in state expenditures.
- Based on information provided by the DCI, the Department does not regulate pharmaceutical companies or have complete access to data on the issue of transparency in prescription drug pricing; however, they will seek to administer the proposed legislation within existing resources without an increased appropriation or reduced reversion.
- Based on information provided by the Division, the Division can consult within existing resources without an increased appropriation or reduced reversion.

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IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- Requiring reports on changes in prices for essential generic drugs in prescription drug programs operated by state government for five fiscal years and on issues relating to requiring price transparency in prescription drug pricing will have no impact on jobs or commerce in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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