TPBC’s Consensus MAC Bill Passes Legislature

The Texas House voted 141-2 Saturday afternoon to accept the conference committee report for TPBC’s major MAC reform bill. Minutes later, the Senate followed suit and accepted the report on a 30-0 vote. The bill now goes to Gov. Rick Perry, who can sign it into law or allow its enactment without signature in 30 days.

Coupled with the Legislature’s passage last week of HB 1358 -- our major audit reform bill -- TPBC has accomplished the two major goals of its 2013 legislative agenda. *To our knowledge, this marks the first time ever that a state legislature has passed major MAC reform and audit reform bills in the same session.*

After sailing through the Senate with no opposition, SB 1106 -- authored by Sen. Charles Schwertner of Georgetown and sponsored by Rep. John Davis in the House -- was amended last week on the House floor before passing. One amendment threatened the negotiated agreement on the bill and greatly jeopardized its chances as the session entered its final days. TPBC and its legislative allies led a broad-based push by pharmacy groups to maintain the integrity of the bill, and the appointed House and Senate conferees collectively voted 10-0 to strip the amendment and support the original consensus bill.

TPBC Executive Director Michael Wright said the collective 172-2 vote to approve the conference committee version of the bill shows that legislators support independent pharmacy and recognize its vital role in Texas health care.

"We entered 2013 with the stated goal of winning some significant incremental gains for independent pharmacy," Wright said. "The Legislature's support of our goals shows that they place great value on the welfare of independents."

Wright praised Sen. Schwertner and Rep. Davis for skillfully getting SB 1106 through the conference committee process and back to the House and Senate for strong concurrence votes.

"They were strongly committed to these bills from day one, but both of them really came through late in the clutch," Wright said. "It took a lot of work and a lot of skill to get this bill though conference committee.

Key Provisions of SB 1106:

- Requires PBMs to disclose the price source for each drug on the MAC list, to update MAC lists every 7 days and to modify MAC prices in a timely manner consistent with market price changes.
- Requires a PBM to establish a process to eliminate products from the MAC list or modify MAC prices in a timely manner;
- Requires PBMs to establish reasonable procedures for pharmacies to challenge a listed MAC price and that the PBM respond to such challenges within 15 days.
- Requires the PBM to disclose if it uses separate MAC lists for drugs dispensed at retail vs. mail order.
- Requires a PBM to establish a process to provide network pharmacies ready access to the PBM’s MAC list.

TPBC thanks the following groups for their support in getting the consensus bill passed: the Texas Federation of Drug Stores, Texas TrueCare, Walgreens, HEB, United Drug Stores, Texas Pharmacy Association, Texas Society of Hospital Pharmacists and National Community Pharmacists Association. We also wish to thank all the Texas pharmacists who called their legislators in support of SB 1106, especially this past week.

► See NCPA Letter of Support on SB 1106