

HEALTH & SAFETY CODE
CHAPTER 111. INTERAGENCY COUNCIL ON PHARMACEUTICALS BULK
PURCHASING

Sec. 111.001. DEFINITION. In this chapter, "council" means the Interagency Council on Pharmaceuticals Bulk Purchasing. Added by Acts 2001, 77th Leg., ch. 1003, Sec. 1, eff. Sept. 1, 2001. Renumbered from V.T.C.A., Health & Safety Code Sec. 110.001 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(90), eff. Sept. 1, 2003.

Sec. 111.002. BULK PURCHASING COUNCIL. The Interagency Council on Pharmaceuticals Bulk Purchasing is composed of an officer or employee from each of the following agencies, appointed by the administrative head of that agency:

- (1) the Texas Department of Health;
- (2) the Texas Department of Mental Health and Mental Retardation;
- (3) the Correctional Managed Health Care Committee;
- (4) the Employees Retirement System of Texas;
- (5) the Teacher Retirement System of Texas; and
- (6) any other agency that purchases pharmaceuticals designated by the commissioner of health and human services.

Added by Acts 2001, 77th Leg., ch. 1003, Sec. 1, eff. Sept. 1, 2001. Renumbered from V.T.C.A., Health & Safety Code Sec. 110.002 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(90), eff. Sept. 1, 2003.

Sec. 111.003. PRESIDING OFFICER. The position of presiding officer rotates among the members of the council according to the procedures adopted by the council. A term as presiding officer is two years and expires on February 1 of each odd-numbered year.

Added by Acts 2001, 77th Leg., ch. 1003, Sec. 1, eff. Sept. 1, 2001. Renumbered from V.T.C.A., Health & Safety Code Sec. 110.003 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(90), eff. Sept. 1, 2003.

Sec. 111.004. COMPENSATION. Service on the council is an additional duty of a member's office or employment. A member of the council is not entitled to compensation, but is entitled to reimbursement of travel expenses incurred by the member while conducting the business of the council, as provided in the General Appropriations Act.

Added by Acts 2001, 77th Leg., ch. 1003, Sec. 1, eff. Sept. 1, 2001. Renumbered from V.T.C.A., Health & Safety Code Sec. 110.004 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(90), eff. Sept. 1, 2003.

Sec. 111.005. SUPPORT STAFF. The council's member agencies shall provide the staff for the council.

Added by Acts 2001, 77th Leg., ch. 1003, Sec. 1, eff. Sept. 1, 2001. Renumbered from V.T.C.A., Health & Safety Code Sec. 110.005 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(90), eff. Sept. 1, 2003.

Sec. 111.006. COUNCIL POWERS AND DUTIES. (a) The council shall develop procedures that member agencies must follow in purchasing pharmaceuticals. A member agency may elect not to follow the council's procedures if the agency can purchase the pharmaceuticals for a lower price than through the council. An agency that does not follow the council's procedures shall report to the council:

- (1) the purchase price for the pharmaceuticals; and
- (2) the name of the wholesaler, retailer, or manufacturer selling the pharmaceuticals.

(b) The council shall designate one member agency to be the central purchasing agency for purchasing pharmaceuticals.

(c) The council shall use existing distribution networks, including wholesale and retail distributors, to distribute the pharmaceuticals.

(d) The council shall:

- (1) investigate any and all options for better purchasing power, including expanding Medicaid purchasing, qualifying for participation in purchasing programs under 42 U.S.C. Section 256b, as amended, and using rebate programs, hospital disproportionate share purchasing, and health department and federally qualified health center purchasing; and

- (2) make recommendations regarding drug utilization review, prior authorization, the use of restrictive formularies, the use of mail order programs, and copayment structures to member agencies.

(e) In conducting the investigation under Subsection (d), the council shall monitor the progress of the demonstration project for certain medications and related services established by Section 32.053, Human Resources Code, as added by S.B. 1156, Acts of the 77th Legislature, Regular Session, 2001, and make no

recommendations inconsistent with a prescribed medical regime for those medications.

(f) The council may enter into agreements with a local governmental entity to purchase pharmaceuticals for the local governmental entity.

(g) The council shall develop procedures under which the council may disclose information relating to the prices that manufacturers or wholesalers charge for pharmaceuticals by category of pharmaceutical. The council may not disclose information that identifies a specific manufacturer or wholesaler or the prices charged by a specific manufacturer or wholesaler for a specific pharmaceutical.

Added by Acts 2001, 77th Leg., ch. 1003, Sec. 1, eff. Sept. 1, 2001. Renumbered from V.T.C.A., Health & Safety Code Sec. 110.006 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(90), eff. Sept. 1, 2003.