

RESOLUTION

Regulate the business activities of Pharmacy Benefit Managers

A RESOLUTION TO: Protect the health and welfare of Texas citizens by regulating the business activities of Prescription Benefit Managers (PBMs)

WHEREAS, The Medicare Prescription Drug legislation recently adopted by Congress has placed the **unregulated** PBM industry in complete charge of administering the Medicare prescription drug program for Medicare patients, and:

WHEREAS, The fact that the various PBMs are presently faced with more than a dozen class action lawsuits by plan sponsors and patients (*for allegedly failing to exercise proper fiduciary responsibility in administering the prescription drug plans under their charge*) clearly demonstrates that the PBM industry needs to be regulated, and:

WHEREAS, Many PBMs engage not only in the financial administration of such programs, but also involve themselves in altering drug therapy, drug utilization review (DUR), and other activities which are normally within the purview of physicians and pharmacists who are properly regulated by state agencies; now, therefore, be it

RESOLVED, That the 11th Texas Silver-Haired Legislature encourage and strongly recommend that the 80th Texas Legislature adopt legislation which would properly authorize the Texas State Board of Insurance and the Texas State Board of Pharmacy to regulate the Pharmacy Benefits Managers which do business within the state of Texas.

PASSED AND APPROVED this 13th day of September, 2006, by the Insurance Committee.

A. G. Hinojosa, Sr., Chair

PASSED AND APPROVED this 14th day of September, 2006, by the Texas Silver-Haired Legislature.

Charlotte Parks, Speaker

ATTEST:

Carlos Higgins, Secretary