

**MEDICAID GENERIC DRUG REIMBURSEMENT**

**AMENDMENTS**

2006 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Mark W. Walker**

Senate Sponsor: Sheldon L. Killpack

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**LONG TITLE**

**General Description:**

This bill amends the Pharmacy Practice Act to permit the Department of Health Pharmacist to override the generic drug mandate if a financial benefit will accrue to the state.

**Highlighted Provisions:**

This bill:

▸ permits the Department of Health pharmacist to override the generic drug mandate if a financial benefit will accrue to the state.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**58-17b-606**, as enacted by Chapter 280, Laws of Utah 2004

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **58-17b-606** is amended to read:

**58-17b-606. Restrictive drug formulary prohibited.**

(1) As used in this section:

(a) "Generic form" means a prescription drug that is available in generic form and has

30 an A rating in the United States Pharmacopeia and Drug Index.

31 (b) "Legend drug" means any drug that requires a prescription under state or federal  
32 law.

33 (c) "Restrictive drug formulary" means a list of legend drugs, other than drugs for  
34 cosmetic purposes, that are prohibited by the Department of Health from dispensation, but are  
35 approved by the Federal Food and Drug Administration.

36 (2) A practitioner may prescribe legend drugs in accordance with this chapter that, in  
37 his professional judgment and within the lawful scope of his practice, he considers appropriate  
38 for the diagnosis and treatment of his patient.

39 (3) Except as provided in Subsection (4), the Department of Health may not maintain a  
40 restrictive drug formulary that restricts a physician's ability to treat a patient with a legend drug  
41 that has been approved and designated as safe and effective by the Federal Food and Drug  
42 Administration, except for drugs for cosmetic purposes.

43 (4) When a multisource legend drug is available in the generic form, the Department of  
44 Health may only reimburse for the generic form of the drug unless the treating physician  
45 demonstrates to the Department of Health a medical necessity for dispensing the nongeneric,  
46 brand-name legend drug.

47 (5) The Department of Health pharmacists may override the generic mandate  
48 provisions of Subsection (4) if a financial benefit will accrue to the state.

49 [~~5~~] (6) This section does not affect the state's ability to exercise the exclusion options  
50 available under the Federal Omnibus Budget Reconciliation Act of 1990.