

**AMENDMENTS TO PREFERRED DRUG LIST**

2009 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Allen M. Christensen**

House Sponsor: \_\_\_\_\_

---

---

**LONG TITLE**

**General Description:**

This bill amends the Medical Assistance Act.

**Highlighted Provisions:**

This bill:

- ▶ amends exceptions to the preferred drug list in the state Medicaid program; and
- ▶ makes technical amendments.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**26-18-2.4**, as last amended by Laws of Utah 2008, Chapter 180

---

---

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

Section 1. Section **26-18-2.4** is amended to read:

**26-18-2.4. Medicaid drug program.**

(1) A Medicaid drug program developed by the department under Subsection 26-18-2.3

(2)(f):

(a) shall, notwithstanding Subsection 26-18-2.3(1)(b), be based on clinical and



28 cost-related factors which include medical necessity as determined by a provider in accordance  
29 with administrative rules established by the Drug Utilization Review Board;

30 (b) may include therapeutic categories of drugs that may be exempted from the drug  
31 program;

32 (c) may include placing some drugs, except the drugs described in Subsection (3), on a  
33 preferred drug list to the extent determined appropriate by the department; and

34 (d) (i) except as prohibited by Subsections 58-17b-606(4) and (5), shall permit a health  
35 care provider with prescriptive authority to override the restrictions of a preferred drug list  
36 provided that the medical necessity for the override is documented in the patient's medical file  
37 and by handwriting on the prescription "medically necessary - dispense as written"; and

38 (ii) shall not permit a health care provider with prescriptive authority to override the  
39 restrictions of a preferred drug list with any preprinted instructions for dispense as written, or  
40 no substitutions allowed.

41 (2) If the department implements a ~~[drug program under the provisions of Subsection~~  
42 ~~(1)(c)] preferred drug list~~, the department shall~~[-(a)]~~ determine the percentage of prescriptions  
43 that are paid for by the department which are overrides to the preferred drug list under  
44 Subsection (1)(d)(i)[;] and annually report the percentage to the Legislature's Health and  
45 Human Services Interim Committee.

46 ~~[(b) include the information required by Subsection (2)(a) in the report required by~~  
47 ~~Subsection (2)(c); and]~~

48 ~~[(c) report its findings regarding the drug program to the Legislative Health and Human~~  
49 ~~Services Interim Committee by August 30, 2008, and to the Legislative Health and Human~~  
50 ~~Services Appropriations Subcommittee during the 2009 General Session.]~~

51 (3) (a) For purposes of this Subsection (3), "immunosuppressive drug":

52 (i) means a drug that is used in immunosuppressive therapy to inhibit or prevent  
53 activity of the immune system to aid the body in preventing the rejection of transplanted organs  
54 and tissue; and

55 (ii) does not include drugs used for the treatment of autoimmune disease or diseases  
56 that are most likely of autoimmune origin.

57 (b) A preferred drug list developed under the provisions of this section may not  
58 include:

- 59 (i) [~~a psychotropic or~~ a typical or atypical anti-psychotic drug; or  
60 (ii) an immunosuppressive drug.  
61 (c) The state Medicaid program shall reimburse for a prescription for an  
62 immunosuppressive drug as written by the health care provider for a patient who has undergone  
63 an organ transplant. For purposes of Subsection 58-17b-606(4), and with respect to patients  
64 who have undergone an organ transplant, the prescription for a particular immunosuppressive  
65 drug as written by a health care provider meets the criteria of demonstrating to the Department  
66 of Health a medical necessity for dispensing the prescribed immunosuppressive drug.  
67 (d) Notwithstanding the requirements of Part 2, Drug Utilization Review Board, the  
68 state Medicaid drug program may not require the use of step therapy for immunosuppressive  
69 drugs without the written or oral consent of the health care provider and the patient.

---

---

**Legislative Review Note**  
as of 12-22-08 10:26 AM

**Office of Legislative Research and General Counsel**

---

---

**S.B. 86 - Amendments to Preferred Drug List**

**Fiscal Note**

2009 General Session  
State of Utah

---

---

**State Impact**

Enactment of this bill will result in savings in FY 2010 of \$240,000 General Fund and \$600,300 Federal Funds (\$840,300 total). Additionally there are ongoing savings in FY 2011 of \$362,500 General Fund and \$906,800 Federal Funds (\$1,269,300 total).

	<u>2009</u> <u>Approp.</u>	<u>2010</u> <u>Approp.</u>	<u>2011</u> <u>Approp.</u>	<u>2009</u> <u>Revenue</u>	<u>2010</u> <u>Revenue</u>	<u>2011</u> <u>Revenue</u>
General Fund	\$0	(\$362,500)	(\$362,500)	\$0	\$0	\$0
General Fund, One-Time	\$0	\$122,500	\$0	\$0	\$0	\$0
Federal Funds	\$0	(\$600,300)	(\$906,800)	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>(\$840,300)</b>	<b>(\$1,269,300)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

---

---

**Individual, Business and/or Local Impact**

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals or local governments. The savings listed above come through payments for generic drugs rather than brand name drugs. Those businesses providing the generic drugs would see increased revenues while businesses providing brand name drugs would see a decrease in revenues.