

**RESOLUTION SUPPORTING MEDICAID
PREFERRED DRUG LIST FOR ACID REFLUX
AND STATINS**

2006 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Steven R. Mascaro

Senate Sponsor: _____

Cosponsor: Patricia W. Jones

LONG TITLE

General Description:

This joint resolution of the Legislature affirms the authority of the Department of Health to create certain drug lists and urges implementation of the lists.

Highlighted Provisions:

This resolution:

- supports and affirms the authority of the Utah Department of Health to create a Medicaid drug list for two drug groups, acid reflux and statins; and
- urges the Utah Department of Health to take immediate steps to implement the preferred drug list as a cost savings measure in the Medicaid drug program.

Special Clauses:

None

Be it resolved by the Legislature of the state of Utah:

WHEREAS, Utah Medicaid expenditures constitute a significant portion of the Utah state budget;

WHEREAS, Utah law charges the Utah Medicaid Program to establish a program that

27 safeguards against unnecessary or inappropriate use of services, and to implement and utilize
28 cost containment methods;

29 WHEREAS, drug expenditures are the fastest growing component of the Medicaid
30 budget, increasing at an annual rate of 18 percent from 1997-2004;

31 WHEREAS, preferred drug lists (PDLs) offer savings by using evidence-based outcome
32 studies to identify the best clinical drugs, by reducing duplicate therapies, and by creating
33 downward price pressure due to competition among drug manufacturers;

34 WHEREAS, PDLs have been utilized in the public and private sectors as a means to
35 slow the rapid increase in drug expenditures for more than ten years;

36 WHEREAS, 26 states have operating PDLs, 12 additional states have PDLs enacted
37 into law or regulation, and six more states have specific plans for PDLs;

38 WHEREAS, additional savings are available through supplemental rebates from drug
39 manufacturers;

40 WHEREAS, it has been determined that PDLs will have no adverse effect on the
41 quality of health care delivered; and

42 WHEREAS, PDLs are utilized by most major health insurers in Utah, including Public
43 Employees Health Program (PEHP), Altius, Deseret Mutual Benefit Administrators (DMBA),
44 and Intermountain Health Care (IHC), as a cost savings measure:

45 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah
46 supports and affirms the authority of the Utah Department of Health to create a Medicaid
47 preferred drug list for two drug groups, acid reflux and statins.

48 BE IT FURTHER RESOLVED that the Legislature urges the Department of Health to
49 take immediate steps to implement the preferred drug list as a cost savings measure in the
50 Medicaid drug program.

51 BE IT FURTHER RESOLVED that copies of this resolution be sent to PEHP, Altius,
52 DMBA, IHC, and the Utah Department of Health.

Legislative Review Note

as of 9-7-05 2:49 PM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

Fiscal Note**Bill Number HJR004****Resolution Supporting Medicaid Preferred Drug List for Acid Reflux and
Statins***16-Jan-06**8:07 AM*

State Impact

The cost of the resolution can be absorbed within existing budgets.

Individual and Business Impact

No fiscal impact

Office of the Legislative Fiscal Analyst