

Senator Sheldon L. Killpack proposes the following substitute bill:

PREFERRED PRESCRIPTION DRUG LIST

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Allen M. Christensen

House Sponsor: _____

LONG TITLE

General Description:

This bill amends the Medical Assistance Act of the Health Code.

Highlighted Provisions:

This bill:

- ▶ amends provisions related to the Medicaid drug program;
- ▶ deletes outdated language;
- ▶ authorizes the Department of Health to develop a preferred drug list pilot program;
- ▶ restricts the therapeutic categories of drugs that may be placed into the pilot

program;

▶ requires the pilot program to permit a health care provider to override the restrictions of the preferred drug list with the handwritten words "dispense as

written"; and

- ▶ requires reporting by the department to the Legislative Executive Appropriations

Committee:

- prior to implementing the pilot program; and
- each November 1 during the pilot program.

Monies Appropriated in this Bill:

None



26 **Other Special Clauses:**

27 None

28 **Utah Code Sections Affected:**

29 AMENDS:

30 **26-18-2.4**, as enacted by Chapter 324, Laws of Utah 2003



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

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

33 **26-18-2.4. Medicaid drug program.**

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

35 (2)(f):

36 (a) shall, notwithstanding Subsection 26-18-2.3(1)(b), be based on clinical and
37 cost-related factors which include medical necessity as determined by a provider in accordance
38 with administrative rules established by the Drug Utilization Review Board; and

39 (b) may include therapeutic categories of drugs that may be exempted from the drug
40 program.

41 (2) (a) [(f)] The department shall [~~study the~~] implement a Medicaid drug pilot program
42 for fiscal [~~year 2003-04, but may not implement the program unless the department reports its~~
43 ~~findings and recommendations, including any proposed rules to the Legislative Executive~~
44 ~~Appropriations Committee and Legislative Management Committee at their August 2003~~
45 ~~meeting, or if a meeting is not held in August, at the September 2003 meeting, for their review~~
46 ~~and recommendations] years 2007-08 through 2009-10 in accordance with this section.~~

47 [(ii) ~~The Legislative Executive Appropriations Committee and Legislative~~
48 ~~Management Committee shall review the Medicaid drug program proposed by the department~~
49 ~~and may:]~~

50 [(A) ~~recommend that the department implement the drug program;]~~

51 [(B) ~~recommend that the department modify the drug program;]~~

52 [(C) ~~recommend that the department terminate the drug program; or]~~

53 [(D) ~~recommend to the governor that he call a special session of the Legislature to~~
54 ~~review and approve the drug program.]~~

55 [(b) ~~The department may use the Medicaid drug program developed and approved~~

57 under Subsection (2)(a) in subsequent fiscal years.]

58 ~~[(3) The department shall report its findings and recommendations regarding the~~
59 ~~Medicaid drug program to the Legislative Health and Human Services Interim Committee by~~
60 ~~August 30, 2003, and to the Legislative Health and Human Services Appropriations~~
61 ~~Subcommittee during the 2004 General Session.]~~

62 (b) The Medicaid drug pilot program authorized by this section:

63 (i) shall include:

64 (A) placing the following therapeutic categories of drugs on a preferred drug list:

65 (I) proton pump inhibitors;

66 (II) lipid lowering agents;

67 (III) anticonvulsants;

68 (IV) opiate analgesics;

69 (IV) sedatives/hypnotics; and

70 (VI) nonsteroidal anti-inflammatory drugs;

71 (B) the ability for a health care provider to override the restrictions of a preferred drug
72 list by handwriting on the prescription:

73 (I) "dispense as written"; or

74 (II) "D.A.W.";

75 (ii) may not include:

76 (A) any drugs in the preferred drug list other than those listed in Subsection

77 (2)(b)(i)(A); and

78 (B) provisions that allow a health care provider to override the restrictions of the
79 preferred drug list with a preprinted prescription form that includes the preprinted words
80 "dispense as written"; and

81 (iii) may not begin until after the department submits to the Legislative Executive
82 Appropriations Committee a report that describes the Medicaid drug pilot program and the
83 details concerning how it will be implemented.

84 (3) (a) In accordance with Subsection (3)(b), the department shall submit a report to the
85 Legislative Executive Appropriations Committee including:

86 (i) the implementation of the preferred drug list;

87 (ii) any cost savings or increases experienced as a result of the preferred drug list; and

88 (iii) information, if available, regarding patient and provider experiences with
89 overriding the preferred drug list when medically necessary.

90 (b) The report required by Subsection (3)(a) shall be submitted on or before November
91 1, 2007 and on or before each November 1 thereafter until the end of the pilot program.