By Representative Kelly

A bill to be entitled

An act relating to Medicaid prescribed drug services; amending s. 409.912, F.S.; authorizing the Agency for Health Care Administration to implement a Medicaid preferred prescribed drug designation program; authorizing the agency to implement prescribed drug cost containment initiatives; providing for a formulary; requiring an annual report; creating s. 409.91203, F.S.; establishing a pharmacy and therapeutics committee to advise the agency regarding the Medicaid preferred prescribed drug designation program; providing for appointment of members; providing duties; providing for reimbursement of committee members' expenses; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (37) is added to section 409.912, Florida Statutes, to read:

409.912 Cost-effective purchasing of health care.--The agency shall purchase goods and services for Medicaid recipients in the most cost-effective manner consistent with the delivery of quality medical care. The agency shall maximize the use of prepaid per capita and prepaid aggregate fixed-sum basis services when appropriate and other alternative service delivery and reimbursement methodologies, including competitive bidding pursuant to s. 287.057, designed to facilitate the cost-effective purchase of a case-managed continuum of care. The agency shall also require providers to

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minimize the exposure of recipients to the need for acute inpatient, custodial, and other institutional care and the inappropriate or unnecessary use of high-cost services.

(37)(a) The agency is authorized to develop and implement a Medicaid preferred prescribed drug designation program. Consultation with another physician shall be required prior to prescription of a drug that has not received preferred prescribed drug designation under the program. The pharmacy and therapeutics committee established in s. 409.91203 shall advise the agency in the development and implementation of the program.

(b) The agency is authorized to implement prescribed drug cost containment initiatives, which shall include, but not be limited to: limiting the number of brand name prescribed drugs available to an adult Medicaid recipient on a monthly basis; capitation of the prescribed drug benefit for nursing home residents or alternative cost control measures; negotiating and collecting additional supplemental rebates from pharmaceutical manufacturers; and other initiatives to promote the cost-effective purchasing of prescribed drugs, in accordance with the requirements of federal law.

(c) The Medicaid program shall maintain an open formulary consistent with the provisions of this subsection.

(d) The agency shall submit a report to the Governor, the Speaker of the House of Representatives, and the President of the Senate, by January 15 of each year, which includes, but is not limited to, the progress that has been made to control costs in Medicaid prescribed drug services.

Section 2. Section 409.91203, Florida Statutes, is created to read:

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409.91203 Pharmacy and therapeutics committee.--There is created a pharmacy and therapeutics committee to advise the agency and provide guidance in the development and implementation of the Medicaid preferred prescribed drug designation program. The agency shall provide staff support to the committee in the performance of its duties.

(1) The committee shall consist of nine members as required by federal law, each appointed by the Governor or the Governor's designee for a 4-year term. Committee members may be reappointed upon the expiration of their terms. The committee shall consist of four physicians licensed in the state, one of whom shall have experience in managing a preferred prescribed drug designation program; four pharmacists licensed in the state; and one consumer representative. There shall be no liability on the part of, and no cause of action of any nature shall arise against, any member of the pharmacy and therapeutics committee for any action taken by the committee in the performance of its powers and duties as established in this section.

(2) The duties of the committee include, but are not limited to:

(a) Recommending the initial prescribed drugs to receive preferred prescribed drug designation under the Medicaid preferred prescribed drug designation program. In making its recommendations, the committee may use, but is not limited to, the following criteria:

1. Preferences among physicians and other health care providers who have traditionally prescribed significant numbers of prescribed drugs to Medicaid patients.

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2. Preferences among pharmacists who have traditionally provided significant numbers of prescribed drugs to Medicaid patients.

3. The effectiveness of the prescribed drug.

4. The safety of the prescribed drug.

5. The potential for misuse of the prescribed drug.

6. The essential need for and value of the prescribed drug.

7. Comparisons with other prescribed drugs in the same therapeutic class, with respect to the criteria listed in this paragraph.

8. Therapeutic advantages, if any, as indicated by review of pharmaceutical manufacturer materials filed with the United States Food and Drug Administration, review of other pharmacological studies, review of peer-reviewed literature, periodic surveys of Medicaid patients using the drug, surveys of physicians and other prescribers who serve significant numbers of Medicaid patients, and surveys of pharmacists who serve significant numbers of Medicaid patients.

9. The potential effects on other Medicaid program spending.

10. Existing or proposed discounts from pharmaceutical manufacturers through a supplemental rebate agreement or other verifiable cost-reduction proposal.

11. The willingness of a pharmaceutical manufacturer to participate in and finance Medicaid disease management initiatives.

(b) Reviewing and recommending, on an ongoing basis, additional prescribed drugs to receive preferred prescribed drug designation.

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(c) Reviewing and recommending, on an ongoing basis, the removal of preferred prescribed drug designations.

(d) Reviewing and conducting special prescribed drug therapy evaluations to assess the adequacy of Medicaid preferred prescribed drug designations, using an appropriate methodology, including, but not limited to, outcome measurements before and after implementation of the preferred prescribed drug designation program in areas such as hospital utilization, physician office visits, emergency room visits, patient and provider satisfaction, quality of life indicators, per capita drug utilization and expenditures, total Medicaid program costs, and indicators of adequate administrative support.

(e) Assisting the agency with the development of clinical guidelines, particularly for prescribed drug therapies.

(3) Members of the committee shall serve without compensation. However, the agency shall reimburse committee members for per diem and travel expenses incurred in the performance of committee duties, in accordance with s. 112.061.

Section 3. This act shall take effect July 1, 2000.

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HOUSE SUMMARY

Authorizes the Agency for Health Care Administration to implement a Medicaid preferred prescribed drug designation program and Medicaid prescribed drug cost containment initiatives. Provides for a formulary. Requires an annual report to the Governor and Legislature on progress in controlling costs for Medicaid prescribed drug services. Establishes a pharmacy and therapeutics committee to advise the agency regarding the Medicaid preferred prescribed drug designation program. Provides responsibility of the committee to recommend prescribed drugs to receive designation under the program, according to specified criteria, and to assist the agency in developing clinical guidelines, particularly for prescribed drug therapies. Requires the agency to provide staff support to the committee and reimburse committee members' expenses.

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