

Bill No. CS for CS for SB 792

Amendment No.      Barcode 471714

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Senator Silver moved the following amendment:

**Senate Amendment**

On page 58, lines 19-28, delete those lines

and insert:

(7) The agency may establish a preferred drug formulary in accordance with 42 U.S.C. s. 1396r-8, and, pursuant to the establishment of such formulary, it is authorized to negotiate supplemental rebates from manufacturers that are in addition to those required by Title XIX of the Social Security Act and at no less than 10 percent of the average manufacturer price as defined in 42 U.S.C. s. 1936 on the last day of a quarter unless the federal or supplemental rebate, or both, equals or exceeds 25 percent. There is no upper limit on the supplemental rebates the agency may negotiate. The agency may determine that specific products, brand-name or generic, are competitive at lower rebate percentages. Agreement to pay the minimum supplemental rebate percentage will guarantee a manufacturer that the Medicaid Pharmaceutical and Therapeutics Committee will

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1 consider a product for inclusion on the preferred drug  
2 formulary. However, a pharmaceutical manufacturer is not  
3 guaranteed placement on the formulary by simply paying the  
4 minimum supplemental rebate. Agency decisions will be made on  
5 the clinical efficacy of a drug and recommendations of the  
6 Medicaid Pharmaceutical and Therapeutics Committee, as well as  
7 the price of competing products minus federal and state  
8 rebates. The agency is authorized to contract with an outside  
9 agency or contractor to conduct negotiations for supplemental  
10 rebates. For the purposes of this section, the term  
11 "supplemental rebates" may include, at the agency's  
12 discretion, cash rebates and other program benefits that  
13 offset a Medicaid expenditure. Such other program benefits may  
14 include, but are not limited to, disease management programs,  
15 drug product donation programs, drug utilization control  
16 programs, prescriber and beneficiary counseling and education,  
17 fraud and abuse initiatives, and other services or  
18 administrative investments with guaranteed savings to the  
19 Medicaid program in the same year the rebate reduction is  
20 included in the General Appropriations Act. The agency is  
21 authorized to seek any federal waivers to implement this  
22 initiative.

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