

2018 Regular Session

SENATE BILL NO. 226

BY SENATOR MILKOVICH

HEALTH CARE. Provides relative to maximum allowable drug pricing in the Medicaid pharmacy program. (8/1/18)

1 AN ACT

2 To enact R.S. 46:153.3(B)(2)(d), relative to the Medicaid prescription drug program; to
3 provide for preferred drug status; to provide for rebates from any pharmaceutical
4 manufacturer with a drug or drug product covered by the Medicaid program; and to
5 provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 46:153.3(B)(2)(d) is hereby enacted to read as follows:

8 §153.3. Medical vendor reimbursements; allowable restrictions; peer-based
9 prescribing and dispensing practice patterns; Medicaid
10 Pharmaceutical and Therapeutics Committee

11 * * *

12 B. * * *

13 (2)(a) The department may establish a drug list that utilizes a prior approval
14 process or any other process or combination of processes that prove to be
15 cost-effective in the medical assistance program. At a minimum any prior approval
16 process shall meet all of the following criteria:

17 * * *

1 **(d) In order for a pharmaceutical manufacturer to have a drug included**
 2 **on the Medicaid preferred drug list, the combination of federal and state**
 3 **supplemental rebates offered to the state shall be equal to the difference**
 4 **between the state cost and whichever of the following has the lowest rate:**

5 **(i) The cost of the same drug offered to the United States Department of**
 6 **Veterans Affairs, Veterans Health Administration.**

7 **(ii) The cost of the same drug offered to the United States Department**
 8 **of Defense.**

9 **(iii) The cost of the same drug offered through the 340B Drug Pricing**
 10 **Program, as provided for in 80 FR 52300.**

11 **(iv) The cost of the same drug offered to other nongovernment buyers**
 12 **less a minimum of twenty-four percent.**

13 **(v) The net cost of the same drug offered at an amount lower than Item**
 14 **(i), (ii), (iii), or (iv) of this Subparagraph, in addition to federal and state**
 15 **supplemental rebates.**

16 * * *

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Christine Arbo Peck.

DIGEST

SB 226 Original 2018 Regular Session Milkovich

Proposed law requires a pharmaceutical drug manufacturer to remit a combination of federal and state supplemental rebates in an amount that will make the net cost of the drug no more than is available to other enumerated entities in order for the drug to be included on the Medicaid preferred drug list.

Effective August 1, 2018.

(Adds R.S. 46:153.3(B)(2)(d))