

HOUSE BILL NO. 374

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE GUTTENBERG

Introduced: 2/23/10

Referred: Health and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing the Alaska Prescription Drug Task Force; and providing for an**
2 **effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 **LEGISLATIVE FINDINGS AND PURPOSE.** (a) The legislature finds that

7 (1) the rising cost of prescription drugs has imposed a significant hardship on
8 residents in the state who have limited budgets, are uninsured, or who have prescription drug
9 coverage with a carrier that is unable to control costs successfully due to cost shifting and
10 disparate pricing policies;

11 (2) there is an increasing need for the citizens of the state to have affordable
12 access to prescription drugs;

13 (3) in an effort to promote healthy communities and to protect the public
14 health and welfare, the legislature finds that it is the legislature's responsibility to make every

1 effort to provide affordable access to prescription drugs for all residents of the state.

2 (b) The purpose of this Act is to establish a prescription drug task force to consider
3 strategies to manage the increasing costs of prescription drugs and to increase affordable
4 access to prescription drugs for all state residents.

5 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 **ALASKA PRESCRIPTION DRUG TASK FORCE.** (a) The Alaska Prescription Drug
8 Task Force is established in the Department of Health and Social Services. The task force
9 consists of 10 members appointed by the governor as follows:

- 10 (1) one member from the Department of Administration;
- 11 (2) one member from the division of insurance, Department of Commerce,
12 Community, and Economic Development;
- 13 (3) one member from the Department of Health and Social Services;
- 14 (4) one member from the division of workers' compensation, Department of
15 Labor and Workforce Development;
- 16 (5) one member from the division of senior and disabilities services,
17 Department of Health and Social Services;
- 18 (6) one member who is a state resident and who is a licensed pharmacist;
- 19 (7) one member who is a state resident, who is not a state employee, and who
20 represents the insurance industry;
- 21 (8) one member who is a state resident and who is a consumer of prescription
22 drugs;
- 23 (9) one member who is a representative from a large employee benefit plan;
24 and
- 25 (10) one member who is a state resident and who is a primary care physician.

26 (b) The task force shall consider strategies for managing the increasing costs of
27 prescription drugs and for increasing affordable access to prescription drugs for all of the
28 state's citizens, including

- 29 (1) discount prices or rebate programs for seniors and individuals without
30 prescription drug coverage;
- 31 (2) the enactment of fair prescription drug pricing policies;

1 (3) requirements, including the level of detail, for disclosures by prescription
2 drug manufacturers of expenditures for advertising, marketing, and promotion, based on
3 aggregate national data;

4 (4) the establishment of programs aimed at educating health care practitioners
5 authorized to prescribe prescription drugs about the relative costs and benefits of various
6 prescription drugs, with an emphasis on generic substitution for brand-name prescription
7 drugs when available and medically appropriate; prescribing older, less costly drugs instead of
8 newer, more expensive prescription drugs, when appropriate; and prescribing lower dosages
9 of prescription drugs, when available and medically appropriate;

10 (5) disease management programs aimed at enhancing the effectiveness of the
11 treatment with prescription drugs of certain diseases that are prevalent among state residents;

12 (6) joint negotiations for prescription drug purchasing, a shared prescription
13 drug pricing schedule, and a uniform preferred prescription drug list for use by the medical
14 assistance program, other state payors, and private insurers;

15 (7) coordination among the medical assistance program, the labor-union
16 representatives, and, to the extent possible, in-state hospitals and private insurers toward the
17 development of a uniform prescription drug list that is clinically appropriate and that
18 leverages retail prices;

19 (8) policies that promote the use of generic prescription drugs where
20 medically appropriate;

21 (9) development of other strategies permitted under state and federal law
22 aimed at managing escalating prescription drug prices and increasing affordable access to
23 prescription drugs for all state residents; and

24 (10) the state's becoming a paying member of the National Legislative
25 Association on Prescription Drug Prices.

26 (c) The members of the task force shall serve without compensation but are entitled to
27 per diem and travel expenses authorized for boards and commissions under AS 39.20.180.

28 (d) The Department of Health and Social Services shall, at the request of the chair,
29 provide reasonable assistance with staff, supplies, equipment, and other appropriate items.

30 (e) The task force shall select a chair from among its members, shall meet at least
31 three times but may meet as frequently as necessary, and may meet and vote by

1 teleconference.

2 (f) The task force shall hold public hearings and use other means to solicit as much
3 helpful information as possible from the citizens of the state about increasing affordable
4 access to prescription drugs; and

5 (g) The task force shall submit its findings and recommendations to the governor and
6 the legislature by the 30th day of the First Regular Session of the Twenty-Seventh Alaska
7 State Legislature.

8 * **Sec. 3.** Section 2 of this Act takes effect immediately under AS 01.10.070(c).