

Offered: 4/29/85
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 209 (Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to substitution of generic drugs by
7 pharmacists; adding pharmaceuticals to the Medicaid
8 program; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 08.80.295(a) is amended to read:

11 (a) Unless the prescriber expressly states that a prescription
12 is to be dispensed only as written [EXCEPT AS LIMITED BY (b) AND (c)
13 OF THIS SECTION, WITH THE CONSENT OF THE PURCHASER], the pharmacist
14 may substitute a drug product with the same generic name in the same
15 strength, quantity, dose and dosage form as the prescription, provided
16 the substitute drug [PRESCRIBED DRUG WHICH] is, in the pharmacist's
17 professional opinion, therapeutically equivalent and meets the stan-
18 dards of (g) of this section. The [UPON SUBSTITUTION THE] pharmacist
19 shall notify the purchaser [AND THE PERSON WHO PRESCRIBED THE DRUG] of
20 the substitution, and shall record on the prescription and keep a
21 record of the name and manufacturer of the drug substituted.

22 * Sec. 2. AS 08.80.295 is amended by adding new subsections to read:

23 (i) A pharmacist who substitutes a drug in compliance with this
24 section incurs no greater liability in filling the prescription by
25 dispensing the equivalent drug product than would be incurred in
26 filling the prescription by dispensing the prescribed brand name drug.

27 (j) Every pharmacy shall post a sign in a location easily seen
28 by patrons at the counter where prescriptions are dispensed stating
29 that "Under Alaska law a therapeutically equivalent but less expensive

1 drug may, in some cases, be substituted for the drug prescribed by
2 your doctor. Please consult your pharmacist or physician." The
3 printing on the sign shall be in block letters not less than one inch
4 in height.

5 * Sec. 3. AS 47.07.030 is amended to read:

6 Sec. 47.07.030. MEDICAL SERVICES TO BE PROVIDED. Medical ser-
7 vices to be offered to eligible persons include inpatient hospital,
8 outpatient hospital, rural health clinic, outpatient surgical care
9 centers, laboratory and X-ray, refractions and eye examinations by
10 ophthalmologists or optometrists, eyeglasses prescribed by a physician
11 skilled in diseases of the eye or by an optometrist, inpatient psychi-
12 atric hospital for persons age 65 or older and persons under age 21,
13 skilled and intermediate nursing home, physician, nurse midwife, home
14 health care services, early periodic screening diagnosis and treatment
15 of persons under 21 years of age, clinic services, treatment of
16 speech, hearing and language disorders, physical therapy, occupational
17 therapy, prosthetic devices and medical supplies, long-term care
18 noninstitutional services, prescribed drugs, and reasonable transpor-
19 tation to and from the point of medical care. Additional services may
20 not be provided unless approved by the legislature.

21 * Sec. 4. AS 47.07.035 is amended to read:

22 Sec. 47.07.035. PRIORITY OF SERVICES. If the funding in a
23 fiscal year is inadequate to finance the total medical assistance
24 program under this chapter, the department shall, to the extent that
25 federal law and funding permits, provide medical assistance in the
26 following order:

27 (1) aged, blind, or disabled persons who

28 (A) do not receive supplemental security income under
29 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act) because

1 they do not meet income and resources requirements; and
2 (B) are eligible to receive an optional state supple-
3 mentary payment;
4 (2) persons in a medical or intermediate care facility
5 (A) whose income while in the facility does not exceed
6 300 percent of the supplemental security income benefit rate
7 under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act);
8 and
9 (B) who would not be eligible for an optional state
10 supplementary payment if they left the facility;
11 (3) persons under 21 years of age
12 (A) who are under the supervision of the department;
13 (B) whose maintenance is paid in whole or in part from
14 public funds; and
15 (C) who are in foster homes or private child-care
16 institutions;
17 (4) persons under 21 years of age who
18 (A) receive treatment in a psychiatric hospital; and
19 (B) are financially eligible as determined by the
20 standards of 42 U.S.C. 601 - 615 (Title IV-A, Social Security
21 Act, Aid to Families with Dependent Children);
22 (5) persons under 21 years of age who are
23 (A) in an institution designated by the department as
24 an intermediate care facility for the mentally retarded; and
25 (B) financially eligible as determined by the stan-
26 dards of the federal aid to families with dependent children
27 program;
28 (6) women who are pregnant;
29 (7) persons under 21 years of age who do not qualify for

1 benefits under the federal aid to families with dependent children
2 program because they are not dependent children;

3 (8) intermediate nursing home services;

4 (9) prescribed drugs;

5 (10) eye examinations by an ophthalmologist or optometrist;
6 or eyeglasses prescribed by a physician skilled in the diseases of the
7 eye or by an optometrist;

8 (11) [(10)] treatment of speech, hearing, or language disor
9 ders;

10 (12) [(11)] physical or occupational therapy;

11 (13) [(12)] care at an intermediate care facility for the
12 mentally retarded;

13 (14) [(13)] care at an inpatient psychiatric facility;

14 (15) [(14)] community mental health clinic services;

15 (16) [(15)] surgical care center services;

16 (17) [(16)] nurse midwife services;

17 (18) [(17)] medical supplies and equipment;

18 (19) [(18)] long-term care noninstitutional services.

19 * Sec. 5. AS 47.07 is amended by adding a new section to read:

20 Sec. 47.07.200. PAYMENT FOR PRESCRIBED DRUGS. Payment to a
21 pharmacist for that portion of prescribed drug expenses reimbursable
22 under Medicaid shall be made in accordance with 42 C.F.R. 447.331,
23 447.332, 447.333, and 447.334. If permitted under federal law,

24 (1) the payment to a pharmacist for prescribed drugs shall
25 be made in accordance with a formula based on the usual and customary
26 charges for those drugs; and

27 (2) an amount equal to the usual and customary charges for
28 the drugs minus the portion of the drug expenses reimbursable under
29 Medicaid shall be paid from state general relief medical funds.

1 * Sec. 6. AS 47.07.900 is amended by adding a new paragraph to read:

2 (7) "prescribed drugs" has the meaning given in 42 CFR
3 440.120.

4 * Sec. 7. AS 47.07.030 is amended to read:

5 Sec. 47.07.030. MEDICAL SERVICES TO BE PROVIDED. Medical ser-
6 vices to be offered to eligible persons include inpatient hospital,
7 outpatient hospital, rural health clinic, outpatient surgical care
8 centers, laboratory and X-ray, refractions and eye examinations by
9 ophthalmologists or optometrists, eyeglasses prescribed by a physician
10 skilled in diseases of the eye or by an optometrist, inpatient psychi-
11 atric hospital for persons age 65 or older and persons under age 21,
12 skilled and intermediate nursing home, physician, nurse midwife, home
13 health care services, early periodic screening diagnosis and treatment
14 of persons under 21 years of age, clinic services, treatment of
15 speech, hearing and language disorders, physical therapy, occupational
16 therapy, prosthetic devices and medical supplies, long-term care
17 noninstitutional services, [PRESCRIBED DRUGS,] and reasonable trans-
18 portation to and from the point of medical care. Additional services
19 may not be provided unless approved by the legislature.

20 * Sec. 8. AS 08.80.295(b), (c), and (f) are repealed.

21 * Sec. 9. AS 47.07.035(9), 47.07.200, and 47.07.900(7) are repealed.

22 * Sec. 10. Sections 1 - 6 and 8 of this Act take effect October 1, 1985.

23 * Sec. 11. Sections 7 and 9 of this Act take effect July 1, 1987.