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2001 State Prescription Drug Legislation

In 2001, most state legislatures again tackled the broad issue of rising pharmaceutical costs and prices. Partly as a result of major attention to prescription drug legislation in 2000-2001, a total of 34 states have enacted or authorized some type of program as of December 2002. Legislators again proposed to lower prescription costs to broader segments of residents through discount programs, bulk purchasing programs, expanded manufacturer rebates, as well as forms of price negotiations or price controls.

Description of policy for prescription drugs (content varies and may include non-binding actions)	States with bills in 2001 <u>underline</u> passed; may include vetoed bills
Elders/disabled on Medicare eligible for discount prices based on Medicaid pharmaceutical rates.	AL, <u>CA</u> , CT, IA, HI, IL, LA, MD, MA, MS, MO, NY, OR, SC, TN, TX, VA, VT
Medicaid waiver to provide discounts to eligible persons - (based on VT and ME programs) <i>NOTE: see Federal court rulings of 2/25/02</i>	AZ, CT, HI, <u>ME</u> , <u>MD</u> , MA, MS, MO, <u>NM</u> , NY, PA, SC, WA, WI; <u>NH</u> waiver filed in 2000; <u>AR</u> & <u>CT</u> waiver laws are for a subsidy.
Seniors eligible for discount prices based on the "Federal Supply Schedule" or lowest market rate	AR, CT, HI, IL, MA, NY,
General discount programs for uninsured or "fair drug pricing" programs	AL, CT, FL, GA, HI, KS, LA, MD, MA, MN, MT, NM, NY, OK, OR*, PA, RI, SD, VA, VT, WA, WV*. *Laws enacted in <u>OR</u> & <u>WV</u> allow future options for broad discounts but do not mandate them.
Use Federally Qualified Health Centers (FQHC) for expanded pharmaceutical coverage	<u>AR</u> , <u>MD</u> , NM, (OK), <u>TX</u> , VT
State bulk purchasing to achieve greater price discounts for all eligible groups	<u>AR</u> , CO, ID, LA, NM, OR, PA, RI, <u>TX</u> , WA, <u>WV</u> , WY (also see executive initiatives below)
State "buyer's clubs" or purchasing cooperatives	HI, NM, OH, WA, VA, <u>WV</u> (also see executive initiatives, begun in 2000)

ASSEMBLY ELECTIONS, PROCEDURES, & ETHICS

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Regulate pharmaceutical benefit managers (PBMs) - <i>also see "Restrict or regulate", below</i>	GA, NH, WV
Restrict or regulate use of commercial discount cards or buyers clubs.	ME, MS, <u>NH</u> , (NM), <u>SC</u> , <u>SD</u> , <u>TX</u> , WV
State tax credit for pharmaceutical purchases	CA, CO, HI, MT, MI
State coordination of pharmaceutical industry free/charity programs	<u>AR</u> , CA, CT, KY, <u>MD</u> , MA, <u>MO</u> , <u>NM</u> , <u>OR</u> , VT, <u>TX</u> , <u>VA</u> , WA, <u>WI</u> , <u>WV</u>
Price controls or state maximum prices.	AL, AZ, AR, HI, NM, NY, OK, OR, PA, RI, SD, TN, TX, VA; variations: CO, CT, LA, MA, WY
New subsidy programs [separate web page]	<u>AZ</u> , <u>AR</u> , CA, CO, GA, IA, KY, LA, <u>MO</u> , OK, <u>OR</u> , SD, TN, <u>TX</u> , VA, WA, <u>WI</u>
Expand/alter existing subsidy programs	(290+ bills, not included in this list) new laws signed in <u>MD</u> , <u>MN</u> , <u>MO</u> , <u>NV</u> , <u>NJ</u> , <u>VT</u>

(<http://www.ncsl.org/programs/health/drugdisc01.htm>)

2002 State Prescription Drug Legislation

This report lists more than 210 bills and resolutions being considered in 39 states for 2002. The bills cover several approaches, including pharmaceutical discount programs, buying clubs, manufacturer rebates, inter-agency bulk purchasing and interstate buying, as well as forms of price negotiations or price controls. Also included are measures that would examine or regulate aspects of pharmaceutical transactions, including state regulation of pharmaceutical benefit managers (PBMs), commercial discount cards, and pharmaceutical product information.

Description of prescription drug policy (content varies and may include non-binding actions)	States with bills in 2002 [<u>underline</u> = passed; may include vetoed bills]
Elders/disabled on Medicare eligible for discount prices based on Medicaid pharmaceutical rates.	AL, <u>CA</u> , CO, CT, GA, HI, IL, IA, KY, MA, MN, <u>NM</u> , NY, <u>OK</u> , RI, SC

Federal waiver to provide Medicaid discounts to eligible persons, based on VT and ME plans.	CO, <u>HI</u> , MD, MA, <u>NM</u> , NY, <u>VT</u> , WA, WI
Pharmaceutical discount program for uninsured or "fair drug pricing" program, using negotiated manufacturer rebates.	AL, AZ, CT, FL, GA, <u>HI</u> , IL, IN, KS, MD, MA, MN, NM, NY, OH, OK, PA, RI, TN, <u>VT</u> , WA, WV
Medicaid "Pharmacy Plus" waiver to cover persons up to 200% poverty for Rx only.	AZ, CO, <u>FL</u> , HI, <u>IN</u> , KY, <u>ME</u> , OK, <u>RI</u> , <u>VT</u> , WA, WI (previous measures in <u>CT</u> , <u>MD</u> , SC, <u>WI</u>)
Seniors eligible for discount prices based on the Federal Supply Schedule or lowest market rate.	AZ, HI, MA, NM, NY
Price controls or state maximum prices.	MA, MO, OK, PA, RI, TN, WV
State or multi-state bulk purchasing for greater price discounts for all eligible groups.	<u>AL</u> , <u>CA</u> , CT, HI, <u>IA</u> , ME, <u>MD</u> , MA, <u>NM</u> , NY, OK, PA, SD, <u>VT</u> , VA, <u>WA</u> , WI.
State "buyer's club" or commercial discount card, offering negotiated discounts.	GA, HI, IL, KS, NJ, <u>OH</u> , SD, TN, WA
Regulate pharmaceutical sales representatives and industry "detailers."	MA, NY, <u>VT</u> , WA
Regulate pharmaceutical benefit managers (PBMs).	AL, CA, <u>GA</u> , IL, IA, MD, MO, VT
State coordination of pharmaceutical industry's free/charity or discount programs.	<u>HI</u> , <u>IL</u> , <u>NH</u> , <u>NM</u> , <u>OK</u> , PA, SD, <u>VT</u>
Studies, work groups and commissions.	AK, CA, <u>GA</u> , <u>HI</u> , IL, <u>IA</u> , IN, KY, MA, <u>NH</u> , NJ, <u>RI</u> , <u>UT</u> , <u>VT</u> , <u>VA</u> , WA

(<http://www.ncsl.org/programs/health/drugdisc02.htm>)