

HB 37 -- Missouri Rx Card Program

Co-Sponsors: Johnson (47), Salva

This bill establishes the Missouri Rx Card Program as the state pharmaceutical assistance program in the Department of Social Services.

The bill:

- (1) Requires the program to provide discounts to eligible participants for drugs covered through a negotiated rebate agreement;
- (2) Requires the department to use moneys from the negotiated rebates to contract with wholesalers and participating retail pharmacies in order to provide discounted drug prices to eligible participants;
- (3) Requires the director of the department to calculate drug discounts received by the program on a quarterly basis;
- (4) Establishes eligibility criteria for participants in the program. Missouri residents who are eligible to participate in Medicare or who have a net family income below 300% of the federal poverty level are eligible to participate in the program;
- (5) Requires the department to establish enrollment procedures and to implement outreach efforts to raise awareness of the program;
- (6) Requires the director to negotiate discount prices or rebates for prescription drugs from manufacturers and labelers. A drug manufacturer or labeler that sells prescription drugs in Missouri may voluntarily elect to negotiate supplemental rebates, discount prices, or rebates;
- (7) Requires the director to initiate a review to determine whether to place a manufacturer's or labeler's products on the prior authorization list for the Medicaid Program. The director can also initiate similar actions involving prior authorizations or formularies for other state-funded or state-operated prescription drug programs;
- (8) Requires that the names of drug manufacturers and labelers who do not enter into the rebate agreements are public information;
- (9) Requires the department to establish rules that require participating retail pharmacies to disclose to program

participants the amount of savings resulting from the program;

(10) Requires participating retail pharmacies to verify to the department the amount charged to program participants and non-participants and to provide to the department utilization data necessary to calculate rebates from manufacturers and labelers. The department is required to protect the confidentiality of the information;

(11) Prohibits the department from imposing transaction charges on wholesalers or participating retail pharmacies that submit claims or receive payments under the program;

(12) Requires wholesalers and participating retail pharmacies to be paid in advance for program discounts or be reimbursed by the department on a weekly basis;

(13) Allows the department to require a wholesaler or a participating retail pharmacy to segregate drugs used in the program from other drug inventories;

(14) Establishes a process for adjudicating disputes or discrepancies in rebate amounts;

(15) Requires the department to report enrollment and financial data about the program and supplemental Medicaid rebate savings to the General Assembly by February 1 of each year;

(16) Allows the director to combine drug pricing negotiations to maximize drug rebates;

(17) Grants rule-making authority to the department to implement the program and allows the department to seek waivers to implement the program; and

(18) Requires the program to become effective July 1, 2003. Discounts for participants will begin January 1, 2004.

The bill contains an emergency clause and will become effective on the later of July 1, 2003, or approval by the Governor.