

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

HOUSE BILL 673y

By: Nations

AS INTRODUCED

An Act relating to public health and safety; creating the Oklahoma Pharmaceutical Availability and Affordability Act of 2005; stating legislative findings; creating the Oklahoma Pharmaceutical Availability and Affordability Council; establishing duties of council; establishing membership; establishing quorum; providing for cochairs of council; providing for subcommittees; providing for staffing; requiring cooperation of all state agencies; providing for compensation; providing for recommendations; providing for codification; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-1712 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. The provisions of this act shall be known and may be cited as the "Oklahoma Pharmaceutical Availability and Affordability Act of 2005".

B. The Oklahoma Legislature finds:

1. That the rising cost of prescription drugs has imposed a significant hardship on individuals who have limited budgets, are uninsured, or who have prescription coverage that is unable to control costs successfully due to cost shifting and disparate pricing policies;

2. That the average cost per prescription for seniors rose by forty-eight percent (48%) between 1992 and 2000 and is expected to continue increasing another seventy-two percent (72%) by 2010;

3. That many residents of Oklahoma did not fill their prescriptions or skipped doses of medicine in order to make their prescriptions last longer causing them to suffer costly medical consequences all due to their inability to pay;

4. That the current market system for pharmaceuticals can hinder many citizens of Oklahoma from having affordable access to prescription drugs; and

5. That there are many different rules and policies related to prescription drugs which are used by the different state agencies which create confusion and sometimes sanctions in the pharmaceutical community.

C. In an effort to promote healthy communities and to protect the public health and welfare of Oklahoma residents, the Legislature has determined that it is the responsibility of the Legislature to make every effort to provide affordable prescription drugs for all residents of Oklahoma.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-1712.1 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created, to continue until December 31, 2007, the Oklahoma Pharmaceutical Availability and Affordability Council.

B. The duties of the Oklahoma Pharmaceutical Availability and Affordability Council shall include, but are not limited to:

1. Considering strategies by which Oklahoma may manage the increasing costs of prescription drugs and increase access to prescription drugs for all of the citizens of this state;

2. Assessing the enactment of fair prescription drug pricing policies;

3. Exploring discount prices or rebate programs for seniors and persons without prescription drug coverage;

4. Exploring programs offered by pharmaceutical manufacturers that provide prescription drugs for free or at reduced prices;

5. Assessing requirements and criteria, including the level of detail, for prescription drug manufacturers to disclose to the Council expenditures for advertising, marketing and promotion, based on aggregate national data;

6. Exploring state disease management programs aimed at enhancing the effectiveness of treating certain diseases identified as prevalent among the population of this state with prescription drugs;

7. Exploring coordination between the Medicaid program, the public employees insurance agency and, to the extent possible, in-state hospitals and private insurers toward the development of a uniform preferred prescription drug list which is clinically appropriate and which leverages retail prices;

8. Exploring policies which promote the use of generic drugs, where appropriate;

9. Assessing other strategies, as permitted under state and federal law, aimed at managing escalating prescription drug prices and increasing affordable access to prescription drugs for all Oklahoma citizens;

10. Developing other strategies, as permitted under state and federal law, aimed at managing escalating prescription drug prices and increasing affordable access to prescription drugs for all Oklahoma citizens;

11. Exploring the feasibility of and pursuing a waiver from the federal government including, but not limited to, the United States Food and Drug Administration for purchasing prescription drugs from sources in Canada;

12. Reviewing the existing rules, policies, and procedures of each state agency that uses, regulates, administers, or distributes prescription drugs; and

13. Provide recommendations for standardizing rules, policies, and procedures among state agencies for the use and dispensing of prescription drugs.

C. The Oklahoma Pharmaceutical Availability and Affordability Council shall be composed of fifteen (15) members as follows:

1. The Attorney General, or a designee;
2. The Director of the Department of Human Services, or a designee;
3. The State Commissioner of Health, or a designee;
4. The Insurance Commissioner, or a designee;
5. The Administrator of the Oklahoma Health Care Authority;
6. The Commissioner of Mental Health, or a designee;
7. The Speaker of the House of Representatives shall appoint members as follows:

- a. one member who serves on the Oklahoma House of Representatives Health and Human Services Committee,
- b. one member who is a member of the Oklahoma Board of Pharmacy, and
- c. one member who represents a pharmaceutical manufacturer with substantial operations located in Oklahoma;

8. The President Pro Tempore of the Senate shall appoint members as follows:

- a. one member who serves on the State Senate Human Resources Committee,
- b. one member of the State and Education Employees Group Insurance Board, and
- c. one member of a statewide nursing home association;

9. The Governor shall appoint members as follows:

- a. one member of the State Employees Benefits Council,
- b. one member of the College of Medicine, and

c. one member of the Oklahoma Public Employees Retirement System.

D. 1. Members shall serve at the pleasure of their appointing authorities. A vacancy on the Council shall be filled by the original appointing authority.

2. Appointments to the Council shall be made by August 1, 2005.

3. A majority of the members of the Council shall constitute a quorum. A majority of the members present at a meeting may act for the Council.

4. The Speaker of the Oklahoma House of Representatives and the President Pro Tempore of the State Senate shall each designate a cochair from among the members of the Council.

5. The cochairs of the Council shall convene the first meeting of the Council on or before August 15, 2005, at which time a schedule of the first year's meetings shall be determined.

6. The Council may divide into subcommittees in furtherance of its purpose.

E. 1. Staff of the Department of Human Services and the State Department of Health shall serve as primary staff for the Council.

2. The Council may use the expertise and services of the staffs of the Oklahoma State Senate and the Oklahoma House of Representatives.

F. All departments, officers, agencies, and employees of this state shall cooperate with the Council in fulfilling its duties and responsibilities including, but not limited to, providing any information, records, or reports requested by the Council.

G. Members of the Council shall receive no compensation for their service, but shall receive travel reimbursement as follows:

1. Legislative members of the Council shall be reimbursed for necessary travel expenses incurred in the performance of their duties in accordance with the provisions of Section 456 of Title 74 of the Oklahoma Statutes; and

2. Nonlegislative members of the Council shall be reimbursed by their appointing authorities or respective agencies for necessary travel expenses incurred in the performance of their duties in accordance with the State Travel Reimbursement Act.

H. The Council shall publish its findings and recommendations by December 15, 2007, including recommendations for any resulting legislation.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

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