STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

SENATE BILL 1912 By: Standridge

AS INTRODUCED

An Act relating to prescription drugs; directing the State Department of Health in certain consultation to design a wholesale prescription drug importation program that complies with certain requirements; establishing requirements for the program; directing the Secretary of Health and Mental Health to submit certain proposed design to certain committees by certain date; directing the Department to consult with the Office of the Attorney General to identify potential industry behavior; directing the State Department of Health to submit certain formal request to certify certain program by certain date; directing the Department to seek appropriate federal approvals, waivers, exemptions or agreements; prohibiting the Department from implementing certain program until the Oklahoma Legislature enacts certain legislation; directing the Department to begin implementation of the program upon certain enactment and certification and approval; requiring the agency to perform certain functions as part of the implementation process; requiring the Department to provide certain committees certain report by certain date annually; providing for contents of report; providing for codification; providing an effective date; 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 3092.1 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. The State Department of Health, in consultation with interested stakeholders and appropriate federal officials, shall design a wholesale prescription drug importation program that complies with the applicable requirements of 21 U.S.C., Section 384 (2010), including the requirements regarding safety and cost savings. The program design shall:

1. Designate a state agency that shall either become a licensed drug wholesaler or contract with a licensed drug wholesaler in order to seek federal certification and approval to import safe prescription drugs and provide significant prescription drug cost savings to Oklahoma consumers;

2. Use Canadian prescription drug suppliers regulated under the laws of Canada or one or more Canadian provinces, or both;

3. Ensure that only prescription drugs meeting the U.S. Food and Drug Administration's safety, effectiveness and other standards shall be imported by or on behalf of the state;

4. Import only those prescription drugs expected to generate substantial savings for Oklahoma consumers;

5. Ensure that the program complies with the tracking and tracing requirements of 21 U.S.C., Sections 360eee and 360eee-1 (2010) to the extent feasible and practical prior to imported drugs

coming into the possession of the state wholesaler and that it complies fully after imported drugs are in the possession of the state wholesaler;

6. Prohibit the distribution, dispensing or sale of imported products outside the borders of this state;

7. Recommend a charge per prescription or another method of support to ensure that the program is funded adequately in a manner that does not jeopardize significant consumer savings; and

8. Include a robust audit function.

B. On or before January 1, 2021, the Secretary of Health and Mental Health shall submit the proposed design for a wholesale prescription drug importation program to the Health Services and Long-Term Care Committee of the House of Representatives and the

C. The State Department of Health shall consult with the Office of the Attorney General to identify the potential and to monitor for anticompetitive behavior in industries that would be affected by a wholesale prescription drug importation program, as provided for in subsection A of this section.

D. On or before July 1, 2021, the State Department of Health shall submit a formal request to the Secretary of the U.S. Department of Health and Human Services for certification of the state's wholesale prescription drug program created pursuant to this act.

E. The State Department of Health shall not implement the wholesale prescription drug importation program until the Legislature enacts legislation establishing a charge per prescription or another method of financial support for the program.

F. Upon the last to occur of the Oklahoma Legislature enacting a method of financial support pursuant to subsection E of this section and receipt of certification and approval by the Secretary of the U.S. Department of Health and Human Services, the State Department of Health shall begin implementation of the wholesale prescription drug importation program and shall begin operating the program within six (6) months. As part of the implementation process, the State Department of Health shall, in accordance with the state procurement and contract laws, rules and procedures as appropriate:

1. Become licensed as a wholesaler or enter into a contract with a state-licensed wholesaler;

2. Contract with one or more state-licensed distributors;

3. Contract with one or more licensed and regulated Canadian suppliers;

4. Engage with health insurance plans, employers, pharmacies, health care providers and consumers;

5. Develop a registration process for health insurance plans, pharmacies and prescription drug-administering health care providers who are willing to participate in the program;

6. Create a publicly available source for listing the prices of imported prescription drug products that shall be made available to all participating entities and consumers;

7. Create an outreach and marketing plan to generate program awareness;

8. Starting in the weeks before the program becomes operational, create and staff a hotline to answer questions and address the needs of consumers, employers, health insurance plans, pharmacies, health care providers and other affected sectors;

9. Establish the audit functions and a two-year audit work-plan cycle; and

10. Conduct any other activities the State Department of Health determines to be important for successful implementation of the program.

G. After implementation of the program, annually on or before January 15, the State Department of Health shall report to the Health Services and Long-Term Care Committee of the House of Representatives and the Health and Human Services Committee of the Senate regarding the operation of the wholesale prescription drug importation program during the previous calendar year. The report shall include:

1. Which prescription drugs were included in the wholesale importation program;

2. The number of participating pharmacies, health care providers and health insurance plans;

3. The number of prescriptions dispensed through the program;

4. The estimated savings to consumers, health plans, employers and the state during the previous calendar year and to date;

5. Information regarding implementation of the audit plan and audit findings; and

6. Any other information the Secretary of Health and Mental Health deems relevant.

SECTION 2. This act shall become effective July 1, 2020.

SECTION 3. It being immediately necessary for the preservation of the public peace, health or 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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