



Hundredth Legislature - First Session - 2007
Committee Statement
LB 577

Hearing Date: February 7, 2007
Committee On: Health and Human Services

Introducer(s): (Kruse)
Title: Provide for reimbursement for generic prescriptions

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - Advanced to General File with Amendments
 - X Indefinitely Postponed
-

Vote Results:

5	Yes	Senators Johnson, Erdman, Gay, Pankonin, Stuthman
2	No	Senators Hansen, Howard
	Present, not voting	
	Absent	

Proponents:
Senator Kruse
Gary Rihanek
Jeffrey Hines

Representing:
Introducer
Nebraska Pharmacists Association
Nebraska Pharmacists Association, Nebraska
Retail Federation, Walgreens

Opponents:

Representing:

Neutral:
Gary Cheloha

Representing:
Health and Human Services System

Summary of purpose and/or changes:

LB 577 requires the Department of Health and Human Services Finance and Support (department) to establish a minimum reimbursement for pharmacy dispensing services under the Medicaid program related to multiple-source generic prescription drugs. The reimbursement must reflect pharmacies' actual dispensing costs, at a reasonable cost, and not less than \$12 per prescription.

The bill requires the reimbursement rate be set at the "federal upper limit" for such drugs, if such limit has been established, and requires an annual increase in the rate tied to the Consumer Price Index for Medical Care, United States City Average.

The department may establish a reimbursement level that exceeds the minimum mandated reimbursement level and may create additional incentives for the utilization of lower cost multiple-source generic prescription drugs.

Any increase in the reimbursement rate must be retroactive to the date of “state implementation of the average-manufacturer-price-based federal upper limit reimbursement levels mandated under the federal Deficit Reduction Act of 2005.”

The bill permits the department to use state tax revenue for a study to determine pharmacies’ actual costs to dispense multiple-source generic prescription drugs.

The bill has an emergency clause.

Explanation of amendments, if any:

Senator Joel Johnson, Chairperson