



**Hundredth Legislature - First Session - 2007
Committee Statement
LB 699**

Hearing Date: February 15, 2007
Committee On: Health and Human Services

Introducer(s): (Lathrop)
Title: Adopt the Healthy Nebraska Rx Card Program Act

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 Lathrop
John O’Neal

Teresa Stitcher Fritz
Mark Intermill

Representing:

Introducer
National Multiple Sclerosis Society, Nebraska
Chapter
Alzheimer’s Association
AARP

Opponents:

Gary Cheloha
Chuck Stepanek
Marjorie Powell
Alan Green

Representing:

Health and Human Services System
NAMI Nebraska
PhRMA
Mental Health Association of Nebraska

Neutral:

Mary Ann Borgeson
Timothy Loewenstein

Representing:

Region 6 and Douglas County
Buffalo County and NACO

Summary of purpose and/or changes:

LB 699 is a reintroduction of LB 712 (2005). The bill adopts the Healthy Nebraska Rx Card Program Act (act) (sec.1). The bill provides legislative findings (sec. 2) and defines terms (sec. 3).

The bill requires the Chief Administrative Officer (CAO) of the Nebraska Health and Human Services System to negotiate discount prices or rebates for prescription drugs from drug manufacturers and labelers. Such manufacturers or labelers may voluntarily elect to negotiate discount prices and rebates (sec. 4) The bill provides mandatory considerations for the CAO when negotiating discount prices or rebates (sec. 5).

The bill requires the CAO to establish a preferred drug list for the Healthy Nebraska Rx Card Program (program) (sec. 6). The bill provides for placement of prescription drugs on a Medicaid prior authorization list, and requires the names of manufacturers and labelers that do not enter into rebate agreements to be released to the public (sec. 7).

The bill requires the Department of Health and Human Services Finance and Support (department) to establish the Health Nebraska Rx Card Program as a state pharmaceutical assistance program under 42 U.S.C. 1396r-8(c)(1)(C)(i)(III), to provide price discounts to participants for drugs covered by a rebate agreement (sec. 8). The bill requires the CAO to calculate price discounts received by program participants on a quarterly basis (sec. 9).

The bill provides eligibility requirements for the program (sec. 10). The bill requires the department to establish simple procedures for enrolling participants and to undertake outreach efforts to raise awareness of the program and maximize enrollment (sec. 11).

The bill provides duties for participating retail pharmacies, requires the department to protect the confidentiality of program-related information, and prohibits the department from imposing transactions charges under the program (sec. 12).

The department must either pay wholesalers or participating retail pharmacies in advance for program discounts or reimburse such wholesalers or pharmacies weekly. The department may require wholesalers or participating retail pharmacies to separate their inventory of drugs under the program from the rest of their inventory and maintain separate records (sec. 13).

The bill provides for a process to resolve disputes or discrepancies in rebate amounts under the program (sec. 14).

The department must report the enrollment and financial status of the program and report savings from supplemental Medicaid rebates to the Clerk of the Legislature annually by February 1 (sec. 15).

The CAO may combine drug pricing negotiations for the program with other state programs to maximize drug rebates (sec. 16). The department may seek any necessary federal waivers to implement the act (sec. 17), and may adopt and promulgate rules and regulations to carry out the act (sec. 18). The CAO is required to administer the act in a manner that benefits the largest number of Nebraska residents while preventing the act from being preempted by federal law or regulation, and the department is required to conduct ongoing quality assurance activities for the program similar to those used under the Medicaid program (sec. 18).

Price discounts to participants in the program begin on January 1, 2008 (sec. 19).

The bill creates the Healthy Nebraska Rx Fund (sec. 20), and requires the Legislature to appropriate \$1 million for FY 07-08 to carry out the act (sec. 21).

The department is required to seek a Medicaid waiver to establish a pharmacy discount program modeled after the Healthy Maine Prescriptions Program. If the waiver is approved, the department must implement the program, after consultation with the Health and Human Services Committee of the Legislature (sec. 22).

The bill has an operative date of July 1, 2007 (sec. 24), provides for severability (sec. 25), and contains an emergency clause (sec. 27).

Explanation of amendments, if any:

Senator Joel Johnson, Chairperson