Hundredth Legislature - First Session - 2007
Introducer's Statement of Intent
LB 699

Chairperson: **Joel Johnson**
Committee: **Health and Human Services**
Date of Hearing: **February 15, 2007**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 699 seeks to lower the cost that Nebraskans pay for prescription drugs through two separate but related acts.

The first act, named the Prescription Drugs Savings Act, does two things intended to maximize savings on expenditures for prescription drugs for Medicaid recipients. First, it creates a preferred drug list for the Medicaid program. A preferred drug list is a list of all available prescription drugs which designates certain of those drugs with 'preferred' status. Preferred status is granted first to those drugs which are therapeutically superior without regard to cost. Among groups of drugs which are found to be therapeutically equivalent, the lowest cost drug is to be designated as preferred. Secondly, this act empowers the state to use any one of several means available to bargain for the lowest available price for each drug on the preferred drug list.

The second act, named the Nebraska Rx ACCESS Card Program Act, creates a program which extends the savings gained under the preferred drug list to uninsured Nebraskans who earn under 300 percent of the Federal poverty line. It creates a card which allows the carrier to purchase prescription drugs at participating retail pharmacies at the price paid by the state Medicaid program. This bill makes provision that the administrative costs of the Rx ACCESS Card Program be added to the cost of drugs purchased under the program.

Both programs are to be administered by the chief administrative officer of the Nebraska Health and Human Services system. The Prescription Drugs Savings Act would become effective July 1, 2008. The Nebraska Rx ACCESS Card Program Act would become effective July 1, 2009.

Principal Introducer: _____
                              Senator Steve Lathrop