

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 83rd General Assembly  
3 Regular Session, 2001  
4

As Engrossed: S3/27/01 S4/9/01

# A Bill

Act 1764 of 2001  
SENATE BILL 956

5 By: Senator B. Walker  
6 By: Representative T. Steele  
7

## For An Act To Be Entitled

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9  
10 AN ACT TO ESTABLISH A COMMISSION TO STUDY  
11 REDUCING PRESCRIPTION DRUG PRICES FOR RESIDENTS  
12 OF THIS STATE; TO EXAMINE THE FEASIBILITY OF A  
13 REGIONAL PROGRAM FOR PRICE REDUCTIONS; AND FOR  
14 OTHER PURPOSES.

### Subtitle

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17 AN ACT TO ESTABLISH A COMMISSION TO  
18 STUDY REDUCING PRESCRIPTION DRUG PRICES  
19 FOR RESIDENTS OF THIS STATE.  
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21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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#### SECTION 1. Legislative Intent.

24 The General Assembly finds that:

25 (1) Arkansans and other Americans pay the highest prices in the world  
26 for prescription drugs;

27 (2) Pharmaceutical companies are charging Arkansans excessive prices  
28 for prescription drugs, denying our citizens access to medically necessary  
29 health care, thereby threatening their health and well-being;

30 (3) Lack of affordable access to medically necessary prescription  
31 drugs results in the denial of health care, the likelihood of serious illness  
32 and death, and the inability to lead a life of good health for many  
33 Arkansans;

34 (4) Many Arkansans are admitted to or treated at hospitals each year,  
35 because they cannot afford the drugs prescribed for them;  
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1 (5) Doctors report that their patients endanger themselves by taking  
2 only a portion of their recommended dosage of prescription drugs, because  
3 they are unable to afford the full, recommended dosage;

4 (6) All Arkansans are threatened by the possibility that when they  
5 most need medically necessary prescription drugs they will be unable to  
6 afford their doctor's recommended treatment;

7 (7) Prescription drug costs represent the fastest growing item in  
8 health care, and are a driving force in rapidly increasing hospital costs and  
9 insurance rates;

10 (8) Excessive pricing for prescription drugs threatens Arkansas'  
11 ability to assist with the health care costs of our citizens, undermines the  
12 financial capacity of our communities to meet the educational needs of our  
13 children, hurts the ability of our business community to provide health  
14 insurance coverage to Arkansas' workforce, and has a negative effect on  
15 Arkansas' economy;

16 (9) All Arkansas citizens should have access to medically necessary  
17 prescription drugs at the lowest possible prices; and

18 (10) This law will be a positive measure to make prescription drugs  
19 more affordable for Arkansans, thereby increasing the overall health of our  
20 families, benefiting employers and employees and the fiscal strength of our  
21 society, promoting healthy communities and improving the public health and  
22 welfare.

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24 SECTION 2. Prescription Drug Advisory Commission.

25 (a) There is established a Prescription Drug Advisory Commission.

26 (b) The commission shall be composed of fifteen (15) members, as  
27 follows:

28 (1) The Director of the Department of Human Services or a  
29 designee;

30 (2) The Director of the Department of Health or a designee;

31 (3) The Executive Director of the Employee Benefits Division of the  
32 Department of Finance and Administration or a designee, and;

33 (4) Twelve (12) members to be appointed by the Governor, as  
34 follows:

35 (A) One (1) person representing the University of Arkansas  
36 for Medical Sciences, from a list of three (3) supplied by the Chancellor of

1 the University of Arkansas for Medical Sciences;

2 (B) One (1) person who shall be a representative of senior  
3 citizens, from a list of three (3) supplied by the American Association of  
4 Retired Persons;

5 (C) One (1) person who shall be a representative of a  
6 child advocacy organization, from a list of three (3) supplied by the  
7 Arkansas Advocates for Children and Family;

8 (D) One (1) person who shall be a representative of a low-  
9 income advocacy group, from a list of three (3) supplied by the Association  
10 of Community Organizations for Reform Now;

11 (E) One (1) person who shall be a labor advocate, from a  
12 list of three (3) supplied by the Arkansas AFL-CIO;

13 (F) One (1) person who shall be a representative of  
14 physicians, from a list of three (3) supplied by the Arkansas Medical  
15 Society;

16 (G) One (1) person who shall be a representative of  
17 pharmacists, from a list of three (3) supplied by the Arkansas Pharmacists  
18 Association;

19 (H) One (1) person who shall be a representative of the  
20 business community, from a list of three (3) supplied by the Arkansas State  
21 Chamber of Commerce;

22 (I) One (1) person who shall be a representative of health  
23 care professionals, from a list of three (3) supplied by the Arkansas Health  
24 Care Association;

25 (J) One (1) person who shall be a representative of  
26 nurses, from a list of three (3) supplied by the Arkansas Nurses Association;

27 (K) One (1) person who shall be a representative of  
28 hospitals, from a list of three (3) supplied by the Arkansas Hospital  
29 Association; and

30 (L) One (1) person who shall be a representative of the  
31 pharmaceutical manufacturers, from a list of three (3) supplied by the  
32 Pharmaceutical Research and Manufacturers of America.

33 (c) Nominations shall be submitted to the Governor not later than  
34 thirty (30) days after the effective date of this act.

35 (d) The Director of the Department of Human Services or the designee  
36 shall call the first meeting within sixty (60) days after the effective date

1 of this act.

2 (e) At the first meeting, the commission shall elect a chairperson who  
3 shall schedule subsequent meetings.

4 (f) The commission may utilize sub-committees or work groups to  
5 complete various tasks.

6 (g)(1) A majority of the membership shall constitute a quorum.

7 (2) A majority vote of those members present shall be required  
8 for any action of the board.

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10 SECTION 3. DUTIES.

11 (a) The Prescription Drug Advisory Commission shall study the  
12 establishment of a state prescription drug bulk-purchasing plan and the  
13 feasibility of the state subsidizing the cost of prescription drugs.

14 (b) The focus of the study shall be on coverage for:

15 (1) Persons with incomes up to three hundred percent (300%) of  
16 the federal poverty level who do not have a benefit program that includes  
17 drug coverage;

18 (2) Medicaid-covered persons with incomes above two hundred  
19 percent (200%) of the federal poverty level who do not have coverage for  
20 prescription drugs;

21 (3) Persons who earn less than two hundred percent (200%) of the  
22 federal poverty level; and

23 (4) Persons sixty-five (65) years of age or older;

24 (c) The commission shall make progress reports to the Governor and the  
25 Legislative Council, and the House and Senate Interim Committees on Public  
26 Health, Welfare, and Labor every ninety (90) days.

27 (d)(1) The Arkansas Center for Health Improvement shall supply staff  
28 for the commission.

29 (2) The center shall prepare the commission's reports and a  
30 report on any draft legislation needed to implement the commission's  
31 recommendations.

32 (e) The commission shall examine whether to combine efforts with  
33 regional authorities or surrounding states to recommend the establishment of  
34 a program to reduce prescription drug prices for residents of this state.

35 (f) The report of the commission shall be completed by June 30, 2002,  
36 and shall be made to the Governor, the Legislative Council, and the House and

1 Senate Interim Committees on Public Health, Welfare, and Labor.

2 /s/ B. Walker

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APPROVED: 4/18/2001

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