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	As Engrossed: H3/23/01 S4/10/01 S4/11/01		
2	83rd General Assembly	A Bill	Act 1770 of	f 2 001
3	Regular Session, 2001		HOUSE BILL	2498
4				
5	By: Representative King			
6				
7				
8		For An Act To Be Entitled		
9	AN ACT	TO STUDY THE FEASIBILITY OF THE STATE	OF	
10	ARKANS.	AS JOINING A REGIONAL CONSORTIUM FOR		
11	PURCHA	SING MEDICINES; TO ESTABLISH THE JOINT	-	
12	LEGI SL	ATIVE COMMISSION ON PRESCRIPTION DRUG		
13	COSTS;	TO AUTHORIZE THE DEPARTMENT OF HUMAN		
14	SERVI C	ES TO SEEK APPROVAL FOR FEDERALLY-QUAL	I FI ED	
15	HEALTH	CENTERS; AND FOR OTHER PURPOSES.		
16				
17		Subtitle		
18	AN .	ACT TO STUDY THE STATE'S JOINING A		
19	REG	I ONAL CONSORTI UM FOR PURCHASI NG		
20	MED	ICINES AND TO ESTABLISH THE JOINT		
21	LEG	SISLATIVE COMMISSION ON PRESCRIPTION DR	UG	
22	COS	TS.		
23				
24				
25	BE IT ENACTED BY THE	GENERAL ASSEMBLY OF THE STATE OF ARKAN	NSAS:	
26				
27	SECTION 1. <u>(a)</u>) There is created the Joint Legislati	ve Commission	<u>on</u>
28	·	sts which shall have four (4) legislati		
29		aker of the House of Representatives an		
30	<u>legislative members a</u>	appointed by the President Pro Tempore	of the Senate.	=
31	<u>(b) The commis</u>			
32		lore strategies by which Arkansas and d		
33		operatively to reduce prescription drug	g costs and pri	ces
34	for their citizens;			
35		elop proposals for uniform legislation,		
36	<u>compacts, and any oth</u>	<u>her legislative proposals relating to p</u>	<u>orescription dr</u>	~ugs,

MHF891

1	for introduction in the legislatures of the several states;
2	(3) Consider the formation of a regional purchasing consortium
3	to use the full purchasing power of the states who are members of the
4	consortium to obtain lower prices for prescription drugs;
5	(4) Report to the Legislative Council by July 1 of each year on
6	any findings and recommendations relating regional prescription drug
7	purchasing consortium; and
8	(5) Conduct any other activity the commission deems necessary or
9	desirable in carrying out the purposes of this section.
10	
11	SECTION 2. (a) The House and Senate Interim Committees on Public
12	Health, Welfare, and Labor may hire an independent consultant to conduct a
13	study to determine the feasibility of aggregating the purchase and
14	distribution of prescription drugs for all of the following:
15	(1) Participants in the Medicaid program;
16	(2) Enrollees in the Medicare program;
17	(3) Members and others who purchase health care services through
18	the health benefits program of the public employees' benefits board;
19	(4) Any other individuals on whose behalf the state, county, or
20	local government entity provides funds or services, in whole or in part, for
21	the purchase of prescription drugs or prescription drug benefits;
22	(5) Arkansas residents fifty-five (55) years of age or older who
23	have limited or no insurance coverage for prescription drugs; and
24	(6) Arkansas residents less than fifty-five (55) years of age
25	who have limited or no insurance coverage for prescription drugs.
26	(b) The study may assess the feasibility of this state joining a
27	regional governmental purchasing consortium for the purpose of purchasing
28	pharmaceuticals and other medical supplies at reduced prices.
29	(c)(1) The study may specifically and separately assess the
30	feasibility of including in the aggregate large Arkansas private sector
31	purchasers of prescription drugs.
32	(2) The study may assess the possible effects that the inclusion
33	of these purchasers could have on the economy, specifically related to
34	prescription drug manufacturers, biotechnology firms, and pharmacies, and
35	shall evaluate the extent to which inclusion of these purchasers would be
36	marginally cost-effective relative to the aggregate specified in subsection

1	(1) of this section.		
2	(d)(1) The study may determine the impact that an aggregate purchasing		
3	program would have on the Medicaid contract drug program, including the		
4	extent to which the purchasing program would increase or reduce the net cost		
5	of drugs in the Medicaid program.		
6	(2) The study may recommend the optimal configuration, if any,		
7	of an aggregate purchasing program, based on the following factors:		
8	(A) The state's funding capabilities;		
9	(B) The extent to which the program could be implemented		
10	in accordance with existing federal law; and		
11	(C) The extent to which the program would not reduce the		
12	scope of benefits, or access to medically necessary medications for program		
13	parti ci pants.		
14	(e) If an alternative program is deemed feasible, the study may		
15	identify the number of individuals who would be eligible or required to		
16	participate in the alternative program, and the specific steps that would be		
17	necessary to implement the alternative program, including nay necessary		
18	changes to state law.		
19	(f) Nothing in this section may permit, or be construed to permit, a		
20	breach of the confidentiality of contracts or agreements between the Medicai		
21	program and pharmaceutical manufacturers.		
22	$\underline{(g)(1)}$ The commission may submit the results of the study to the		
23	Legislative Council and the Governor by July 1, 2002.		
24	(2) If the results of the study indicate that the program is not		
25	feasible or would result in a reduction in the quality of care for program		
26	beneficiaries, that fact shall be clearly stated.		
27	(3) A program proposed under this section may not be implemented		
28	without enactment of a statute.		
29	(h) The commission shall expire November 1, 2002.		
30			
31	SECTION 3. <u>Federally-qualified health centers.</u>		
32	(a) It is the purpose of this section to assist Arkansans to purchase		
33	prescription drugs at the lowest possible cost, and to advance Arkansas's		
34	goal of affordable access to quality health care for all Arkansans through		
35	the expansion and development of federally-qualified health centers		
36	throughout this state.		

1	(b) The General Assembly finds that an appropriate expansion of		
2	federally-qualified health care centers can:		
3	(1) Empower communities to create a system of universal access		
4	to primary health care that people need;		
5	(2) Create a partnership between Arkansans who use health care		
6	services and Arkansans who provide those services;		
7	(3) Reduce health care costs for patients through administration		
8	of an income-based sliding scale fee schedule for primary health care		
9	servi ces;		
10	(4) Expand access to health care in medically-underserved areas,		
11	and reduce cost shifting to private health insurance plans through a service-		
12	based reimbursement schedule for primary health care providers that is		
13	determined by the reasonable cost of the services provided; and		
14	(5) Reduce heal th care costs for individuals, businesses and		
15	government through access to the federal supply schedule's substantially		
16	discounted prescription drug prices.		
17	(c)(1) Within forty-five (45) days of the effective date of this act,		
18	the Department of Human Services may request from the federal government		
19	medically-underserved area designations, and any other designation or		
20	approval needed to establish federally qualified health centers or other		
21	entities permitted to access the federal supply schedule for prescription		
22	drugs in all appropriate regions of the state of Arkansas not so designated		
23	on the effective date of this act, and to take all steps, subject to the		
24	availability of funds, necessary to secure such designations and approvals.		
25	(2) The department may submit a report of its progress to the		
26	Legislative Council and the Governor by July 1, 2002.		
27	/s/ Ki ng		
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30	APPROVED: 4/18/2001		
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