

**Hall of the House of Representatives**  
83rd General Assembly - Regular Session, 2001  
**Amendment Form**

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**Subtitle of House Bill No. 2498**

"TO AUTHORIZE THE STATE TO JOIN A MULTI-STATE OR MULTI-GOVERNMENTAL  
PURCHASING CONSORTIUM FOR THE PURPOSE OF PURCHASING  
PHARMACEUTICALS AND OTHER MEDICAL SUPPLIES."

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**Amendment No. 1 to House Bill No. 2498.**

Amend House Bill No. 2498 as originally introduced:

Delete the Title and substitute the following:

"AN ACT TO STUDY THE FEASIBILITY OF THE STATE OF ARKANSAS JOINING A REGIONAL CONSORTIUM FOR PURCHASING MEDICINES; TO ESTABLISH THE JOINT LEGISLATIVE COMMISSION ON PRESCRIPTION DRUG COSTS; TO AUTHORIZE THE DEPARTMENT OF HUMAN SERVICES TO SEEK APPROVAL FOR FEDERALLY-QUALIFIED HEALTH CENTERS; AND FOR OTHER PURPOSES. "

AND

Delete the Subtitle and substitute the following:

"AN ACT TO STUDY THE STATE'S JOINING A REGIONAL CONSORTIUM FOR PURCHASING MEDICINES AND TO ESTABLISH THE JOINT LEGISLATIVE COMMISSION ON PRESCRIPTION DRUG COSTS. "

and

Delete everything after the Enacting clause and substitute the following:

"SECTION 1. (a) There is created the Joint Legislative Commission on Prescription Drug Costs which shall have four (4) legislative members appointed by the Speaker of the House of Representatives and three (3) legislative members appointed by the President Pro Tempore of the Senate.

(b) The commission may:

(1) Explore strategies by which Arkansas and other states in the region might work cooperatively to reduce prescription drug costs and prices for their citizens;

(2) Develop proposals for uniform legislation, interstate compacts, and any other legislative proposals relating to prescription drugs, for introduction in the legislatures of the several states;

(3) Consider the formation of a regional purchasing consortium to use the full purchasing power of the states who are members of the

consortium to obtain lower prices for prescription drugs;

(4) Report to the Legislative Council by July 1 of each year on any findings and recommendations relating regional prescription drug purchasing consortium; and

(5) Conduct any other activity the commission deems necessary or desirable in carrying out the purposes of this section.

SECTION 2. (a) The House and Senate Interim Committees on Public Health, Welfare, and Labor shall hire an independent consultant to conduct a study to determine the feasibility of aggregating the purchase and distribution of prescription drugs for all of the following:

(1) Participants in the Medicaid program;

(2) Enrollees in the Medicare program;

(3) Members and others who purchase health care services through the health benefits program of the public employees' benefits board;

(4) Any other individuals on whose behalf the state, county, or local government entity provides funds or services, in whole or in part, for the purchase of prescription drugs or prescription drug benefits;

(5) Arkansas residents fifty-five (55) years of age or older who have limited or no insurance coverage for prescription drugs; and

(6) Arkansas residents less than fifty-five (55) years of age who have limited or no insurance coverage for prescription drugs.

(b) The study shall assess the feasibility of this state joining a regional governmental purchasing consortium for the purpose of purchasing pharmaceuticals and other medical supplies at reduced prices.

(c)(1) The study shall specifically and separately assess the feasibility of including in the aggregate large Arkansas private sector purchasers of prescription drugs.

(2) The study shall assess the possible effects that the inclusion of these purchasers could have on the economy, specifically related to prescription drug manufacturers, biotechnology firms, and pharmacies, and shall evaluate the extent to which inclusion of these purchasers would be marginally cost-effective relative to the aggregate specified in subsection (1) of this section.

(d)(1) The study shall determine the impact that an aggregate purchasing program would have on the Medicaid contract drug program, including the extent to which the purchasing program would increase or reduce the net cost of drugs in the Medicaid program.

(2) The study shall recommend the optimal configuration, if any, of an aggregate purchasing program, based on the following factors:

(A) The state's funding capabilities;

(B) The extent to which the program could be implemented in accordance with existing federal law; and

(C) The extent to which the program would not reduce the scope of benefits, or access to medically necessary medications for program participants.

(e) If an alternative program is deemed feasible, the study shall identify the number of individuals who would be eligible or required to participate in the alternative program, and the specific steps that would be necessary to implement the alternative program, including any necessary changes to state law.

(f) Nothing in this section shall permit, or be construed to permit, a

breach of the confidentiality of contracts or agreements between the Medicaid program and pharmaceutical manufacturers.

(g)(1) The commission shall submit the results of the study to the Legislative Council and the Governor by July 1, 2002.

(2) If the results of the study indicate that the program is not feasible or would result in a reduction in the quality of care for program beneficiaries, that fact shall be clearly stated.

(3) A program proposed under this section shall not be implemented without enactment of a statute.

(h) The commission shall expire November 1, 2002.

SECTION 3. Federally-qualified health centers.

(a) It is the purpose of this section to assist Arkansans to purchase prescription drugs at the lowest possible cost, and to advance Arkansas's goal of affordable access to quality health care for all Arkansans through the expansion and development of federally-qualified health centers throughout this state.

(b) The General Assembly finds that an appropriate expansion of federally-qualified health care centers can:

(1) Empower communities to create a system of universal access to primary health care that people need;

(2) Create a partnership between Arkansans who use health care services and Arkansans who provide those services;

(3) Reduce health care costs for patients through administration of an income-based sliding scale fee schedule for primary health care services;

(4) Expand access to health care in medically-underserved areas, and reduce cost shifting to private health insurance plans through a service-based reimbursement schedule for primary health care providers that is determined by the reasonable cost of the services provided; and

(5) Reduce health care costs for individuals, businesses and government through access to the federal supply schedule's substantially discounted prescription drug prices.

(c)(1) Within forty-five (45) days of the effective date of this act, the Department of Human Services shall request from the federal government medically-underserved area designations, and any other designation or approval needed to establish federally qualified health centers or other entities permitted to access the federal supply schedule for prescription drugs in all appropriate regions of the state of Arkansas not so designated on the effective date of this act, and to take all steps necessary to secure such designations and approvals.

(2) The department shall submit a report of its progress to the Legislative Council and the Governor by July 1, 2002."

**The Amendment was read \_\_\_\_\_  
By: Representative King  
MF/RTK - 032220011432  
RTK300** \_\_\_\_\_  
Chief Clerk