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4 **Substitute for SENATE BILL No. 603**

5  
6 By Committee on Ways and Means

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8 4-1

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10 AN ACT concerning prescription drugs under the medicaid program;  
11 creating the state medicaid drug formulary committee and authorizing  
12 a state medicaid preferred drug formulary.

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14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. (a) The department of social and rehabilitation services  
16 shall establish a state medicaid drug formulary committee consisting of  
17 health care providers as provided in this section to develop a formulary  
18 listing of covered drugs by the state medicaid program. The state medi-  
19 caid drug formulary committee shall consist of nine members as follows:

20 (1) One member of the medicaid drug utilization review board es-  
21 tablished under K.S.A. 39-7,119 and amendments thereto appointed by  
22 the secretary of social and rehabilitation services;

23 (2) two persons licensed to practice medicine and surgery who are  
24 actively engaged in the practice of family medicine, nominated jointly by  
25 the Kansas medical society and the Kansas association of osteopathic medi-  
26 cine and appointed by the secretary of social and rehabilitation services  
27 from a list of four nominees;

28 (3) two persons licensed to practice medicine and surgery who are  
29 actively engaged in the practice of medicine and surgery nominated  
30 jointly by the Kansas medical society and the Kansas psychiatric society  
31 and appointed by the secretary of social and rehabilitation services from  
32 a list of four nominees;

33 (4) four persons licensed as pharmacists actively engaged in the prac-  
34 tice of pharmacy, nominated by the Kansas pharmacists association and  
35 appointed by the secretary of social and rehabilitation services from a list  
36 of eight nominees.

37 (b) No member of the committee shall be an officer or employee of  
38 the department of social and rehabilitation services.

39 (c) The appointments to the committee shall be for three years, ex-  
40 cept that for the initial appointments to the committee, two persons li-  
41 censed to practice medicine and surgery and two licensed pharmacists as  
42 designated by the secretary of social and rehabilitation services, shall be  
43 appointed for two years. Thereafter, all appointments shall be for three

1 years. In making the appointments, the secretary of social and rehabili-  
2 tation services shall provide for geographic balance in the representation  
3 on the committee to the extent possible. Members may be reappointed.

4 (d) The member of the medicaid drug utilization review board shall  
5 serve as chairperson of the formulary committee.

6 (e) The state medicaid drug formulary committee shall evaluate drug  
7 and drug classes for inclusion in the state medicaid preferred drug for-  
8 mulary based on safety, efficacy and clinical outcomes of such treatments.

9 Drugs which do not have a significant, clinically meaningful therapeutic  
10 advantage in terms of safety, effectiveness or clinical outcomes over other  
11 drugs in the same class which have been selected for the preferred drug  
12 formulary may be excluded from the preferred drug formulary and may  
13 be subject to prior authorization in accordance with state and federal law.

14 (f) The state medicaid drug formulary committee may consider the  
15 net economic impact of drugs selected or excluded from the preferred  
16 formulary and may gather information on the costs of specific drugs,  
17 rebates or discounts, dispensing costs, dosing requirements and utilization  
18 of other drugs or other medicaid health care services.

19 (g) The secretary of social and rehabilitation services may accept all  
20 ~~gifts, donations, grants,~~ discounts, rebates and services associated with  
21 the delivery of pharmacy benefits as are deemed cost effective and in the  
22 best interests of the medicaid program.

23 (h) The state medicaid preferred drug formulary shall be submitted  
24 to the medicaid drug utilization review board for review and policy  
25 recommendations.

26 Sec. 2. No requirements for prior authorization or other restrictions  
27 on medications used to treat mental illnesses such as schizophrenia, se-  
28 vere depression or bipolar disorder may be imposed on medicaid recip-  
29 ients. Medications that will be available without restriction for persons  
30 with mental illnesses include atypical antipsychotic medications, conven-  
31 tional antipsychotic medications and other medications used for the treat-  
32 ment of serious mental illnesses. A prescription medication prescribed  
33 for a medicaid recipient with mental illness pursuant to a prescription  
34 which is valid on the effective date of this act shall not be subject to any  
35 requirement for prior authorization unless the practitioner who pre-  
36 scribed the medication for such recipient prescribes a different  
37 medication.

38 Sec. 3. This act shall take effect and be in force from and after its  
39 publication in the statute book.

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