

SESSION OF 2002

**SUPPLEMENTAL NOTE ON
SUBSTITUTE FOR SENATE BILL NO. 603**

As Amended by Senate Committee on
Ways and Means

Brief*

Sub. for SB 603 establishes a State Medicaid Drug Formulary Committee consisting of one member of the Drug Utilization Review Board, four practicing physicians, and four pharmacists, excluding employees or officers of the Department of Social and Rehabilitation Services (SRS). The committee is charged with the evaluation of drugs for a formulary, based on safety, efficacy, and clinical outcomes of drugs. Drugs that are not approved for the formulary may be subject to prior authorization. The bill also allows the committee to consider net economic impact of drugs selected for or excluded from the formulary based on information gathered about the costs of the drugs and various rebates or discounts that may be provided; dispensing costs; dosing requirements; and utilization.

The drugs for the preferred formulary will then be reviewed by the Drug Utilization Review Board and policy recommendations given to SRS.

Medications including atypical anti-psychotic medications, conventional anti-psychotic medications, and others medications used for the treatment of severe mental illness are not restricted.

Background

SB 603 originally directed the Secretary of SRS to negotiate discount prices or rebates for prescription drugs from drug manufacturers, and allowed the agency to include the discounts or rebates as a factor for placing drugs on the preferred formulary. The substitute bill removes the negotiation directive and specifically designates the membership of the formulary committee.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org/cgi-bin/fulltext/bills.cgi>

There is no fiscal note available for Sub. for SB 603.