SESSION OF 2015

SUPPLEMENTAL NOTE ON SENATE BILL NO. 181

As Amended by Senate Committee of the Whole

Brief*

SB 181 would amend the procedures regarding restrictions of patients' access to any new prescription-only drug under the Medicaid program and would establish meeting requirements for the Medicaid Drug Utilization Review Board (Board).

Access to New Prescription-only Drugs under Medicaid Program

The Secretary of Health and Environment (Secretary) would be allowed to implement prior authorization of any new prescription-only drugs until such drugs are reviewed by the Board at the next scheduled meeting. During the period before the new drugs are reviewed by the Board, the drugs would be approved for use as indicated in package insert guidelines approved by the federal Food and Drug Administration and clinically reputable compendia, as approved by the Secretary in rules and regulations.

Under existing law, the Secretary is prohibited from restricting patient access to prescription-only drugs through a program of prior authorization or a restrictive formulary, except by rules and regulations. The current requirement that these proposed rules and regulations be submitted to the Board for written comment would be eliminated.

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*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

Board Meeting Requirements

The Board would be required to meet at least quarterly. The meetings would be open to the public and provide an opportunity for public comments. The Board would be required to post notice of the meetings at least 14 business days before the scheduled meetings.

Background

The bill was introduced by the Senate Committee on Public Health and Welfare at the request of the Kansas Department of Health and Environment (KDHE). At the Senate Committee hearing, a representative of KDHE provided testimony in support of the bill, as introduced, stating the changes would allow the KanCare program to better manage new-to-market drugs and ensure the drug is being prescribed appropriately. The representative also noted the bill would allow KanCare to move drugs more quickly through the process.

Written testimony in opposition to the bill, as introduced, was provided by representatives of the Kansas Pharmacists Association and the Pharmaceutical Research and Manufacturers of America. The opponents generally stated the bill could make it difficult for patients to receive new medicines in a timely manner by placing a hold on the use of new drugs and any delays or utilization management only should occur through careful consultation with the Board.

No other testimony was provided.

The Senate Committee amended the bill by removing language regarding the Secretary's option to submit new prescription-only drugs to the Board for review and comment and allowing the Secretary to place a hold on the use of any new prescription-only drug until the Board had completed its review. The Senate Committee amended the bill by adding language allowing for prior authorization of new prescription-

only drugs, until reviewed by the Board; approving use of the drugs within the package insert guidelines approved by the Federal Drug Administration, as approved by the Secretary in rules and regulations, prior to review by the Board; and adding provisions regarding Board meeting requirements.

The Senate Committee of the Whole made technical amendments to the bill.

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, KDHE states all changes to revenue and expenditures that would result from the bill have been included in the Governor's Budget Recommendations for FY 2016 and FY 2017. KDHE indicates, if the bill is not enacted, the budget for KanCare would have to be increased by $17.4 million per year, including $7.5 million from the State General Fund in FY 2016 and $7.7 million from the State General Fund in FY 2017. The remainder of the additional needed expenditures would come from federal Medicaid funds.