

HOUSE BILL NO. 227

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE HERRON

Introduced: 4/5/11

Referred: Health and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to generic drug pricing for medical assistance recipients; and**
2 **providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 47.07.065 is amended to read:

5 **Sec. 47.07.065. Payment for prescribed drugs. Except as provided in (b) of**
6 **this section, the** [THE] department shall pay for prescribed drugs under
7 AS 47.07.030(b) under regulations adopted by the commissioner in conformity with
8 applicable federal regulations.

9 *** Sec. 2.** AS 47.07.065 is amended by adding new subsections to read:

10 (b) The department may not pay for or list a prescribed generic drug unless the
11 manufacturer of the generic drug has established a price for medical assistance
12 recipients in the state by an open and competitive bidding process that is designed to
13 obtain a prescription drug at the lowest price and without influence.

14 (c) In this section,

1 (1) "competitive bidding process" means a procedure in which pricing
2 from generic prescription drug manufacturers is established by open advertisement
3 based on the scope, specification, terms, and conditions of a proposed contract to
4 purchase generic prescription drugs for sale to a medical assistance recipient in the
5 state; the procedure must include publicly available criteria by which bids will be
6 evaluated;

7 (2) "generic drug" means a copy of a name-brand drug that is no
8 longer protected by patents and that is

9 (A) identical in strength, dosage form, and route of
10 administration as the name-brand equivalent;

11 (B) has the same indications, dosing, and labeling; and

12 (C) provides the same efficacy and safety to patients as the
13 name-brand equivalent.

14 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 **APPLICABILITY.** Six months after the effective date of this Act the Department of
17 Health and Social Services shall remove from the preferred drug list established and
18 maintained by the department all generic prescription drugs that have not undergone a
19 competitive bidding process consistent with this Act.

20 * **Sec. 4.** This Act takes effect July 1, 2012.