

Bill Summary
1st Session of the 58th Legislature

Bill No.:	SB 120
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Author:	Sen. Standridge
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Bill Analysis

SB 120 creates the Prescription Drug Safety and Cost Reduction Importation Pilot Program Act. The measure directs the Oklahoma Health Care Authority to submit an application to the United States Secretary of Health and Human Services to establish a prescription drug importation pilot program for the state Medicaid program to import pharmaceutical drugs from countries approved by the United States Food and Drug Administration. Drugs imported will include the top 20 most frequently prescribed drugs through the state Medicaid program that have a large cost differential between Canadian and United States average prices. Such drugs must be made available to participating pharmacies no more than 6 months following approval of the application. Additionally, the Authority is directed to create an advisory council that consists of key stakeholders including, but not limited to, consumer and patient advocates, pharmacists, contracted providers under the state Medicaid program, and governmental agencies necessary to propose rules and changes in law to enable the Authority to implement the provisions of this measure.

Retail pharmacies licensed by the state shall be the only eligible participants in the drug importation pilot program. Pharmacies may apply to participate in the program using the simple application form created by the Authority. The application form shall include a field for the pharmacy's license number. Imported drugs shall include a nominal fee of not more than 3% of the drug's value. A pharmacy participating in the importation pilot program shall submit claims to the Authority or the Authority's contracted third-party administrator, and shall be reimbursed through the state Medicaid program at a rate of the cost of the drug plus 15% plus \$15.00 or the cost of the generic drug plus 30% plus \$15.00. Any adjustments not reimbursed to the pharmacy within 30 days shall be assessed interest with an annual percentage rate of 25%. Pharmacies are prohibited from receiving or providing kickbacks, fixing or entering into an agreement to fix drug prices, discriminating against a pharmaceutical supplier, or manipulating the market to adversely affect the consumer.

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