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MOCK-UP

PROPOSED AMENDMENT TO
ASSEMBLY BILL NO. 384

PREPARED FOR ASSEMBLY H&HS
APRIL 8, 2003

PREPARED BY THE RESEARCH DIVISION

NOTE: THIS DOCUMENT SHOWS PROPOSED AMENDMENTS IN CONCEPTUAL FORM. THE LANGUAGE AND ITS PLACEMENT IN THE OFFICIAL AMENDMENT MAY DIFFER.

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~green bold double strikethrough~~ is language proposed to be deleted in this amendment and (5) ~~green bold dashed underlining~~ is deleted language in the original bill that is proposed to be retained in this amendment.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** Title 38 of NRS is hereby amended by adding thereto a
2 new chapter to consist of the provisions set forth as sections 2 to 12,
3 inclusive, of this act.
4 **Sec. 2.** *As used in this chapter, unless the context otherwise*
5 *requires, the words and terms defined in sections 3 and 4 of this act have*
6 *the meanings ascribed to them in those sections.*
7 **Sec. 3.** *"Department" means the Department of Human Resources.*
8 **Sec. 4.** *"Committee" means the Pharmacy and Therapeutics*
9 *Committee established pursuant to section 6 of this act.*
10 **Sec. 5.** *The Department shall include in each program*
11 *administered by the Department that provides prescription drugs a*
12 *requirement that any prescription drug provided by the program must,*
13 *unless exempted by the Department at the recommendation of the*
14 *Committee pursuant to subsection 7 of section 9 of this act, either:*
15 1. *Be on the list of preferred prescription drugs created pursuant to*
16 *section 11 of this act; or*
17 2. *Require prior authorization by a person who is prescribing the*
18 *medication before the prescription drug may be provided.*

NACDS: Since the prescriber determines the drug to dispense, it seems logical that he be responsible for checking the PDL and requesting prior authorization when necessary. Pharmacists can then focus on counseling the patients on the use of the drug rather than spend time on the telephone with the doctor's office trying to get the switch approved.

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PROPOSED AMENDMENT TO AB384

ASSEMBLY HEALTH AND HUMAN SERVICES
DATE: 04/09 ROOM: 3138 EXHIBIT H-1-5
SUBMITTED BY: Marla McDade Williams

1 **Sec. 6. 1. The Pharmacy and Therapeutics Committee, consisting**
2 **of 11 members appointed by the Governor, is hereby created in the**
3 **Department.**

4 **2. The Governor shall appoint to the Committee:**

5 **(a) ~~Five~~ Four members who are physicians licensed to practice**
6 **medicine in this state, one who must be a psychiatrist licensed to practice**
7 **in this state;**

8 **(b) Four members who are pharmacists registered in this state, one**
9 **who must have a doctoral degree in pharmacy and be employed by a**
10 **hospital licensed in this state, and one who must have a doctoral degree**
11 **in pharmacy and be employed by a retail pharmacy licensed in this state;**
12 **and**

13 **(c) ~~One member~~ Three members appointed from a list of ~~three~~**
14 **persons provided ~~by~~ to the Department by the AARP, the Alliance for the**
15 **Mentally Ill of Nevada, and the State Council for Independent Living.**

16 **3. The Governor shall appoint to the Committee persons with a**
17 **broad range of knowledge and expertise in issues concerning drug**
18 **therapy.**

19 **4. A person must not be appointed to the Committee if he is**
20 **employed by, compensated by in any manner, has a financial interest in,**
21 **or is otherwise affiliated with a business or corporation that**
22 **manufacturers prescription drugs.**

23 **5. No member may serve on the committee if he had a business**
24 **relationship with the Department, a personal relationship with the**
25 **director of the department, any of its administrators, bureau chiefs, or**
26 **other administrative personnel, or were employed by the Department or**
27 **any of its divisions if such relationship occurred within the preceding 12**
28 **months.**

29 **6. The term of a person appointed to the Committee pursuant to**
30 **paragraph (a) or (b) of subsection 2 who fails to satisfy the requirements**
31 **set forth in the paragraph pursuant to which he was appointed**
32 **terminates immediately upon such failure.**

33 **Sec. 7. 1. The Governor shall appoint the Chairman of the**
34 **Committee from among its members.**

35 **2. After the initial terms, the term of each member of the Committee**
36 **is 2 years. A member may be reappointed.**

37 **3. A vacancy occurring in the membership of the Committee must**
38 **be filled for the remainder of the unexpired term in the same manner as**
39 **the original appointment.**

40 **4. The Committee shall meet at least once every 6 3 months and at**
41 **the times and places specified by a call of the Chairman of the**
42 **Committee.**

43 **5. A majority of the members of the Committee constitutes a**
44 **quorum for the transaction of business, and the affirmative vote of a**
45 **majority of the members of the Committee is required to take action.**

NACDS: Provides for professional parity. Most PDL committees have an equal number of pharmacists and physicians.

Language concerning the psychiatrist was the request of the bill sponsor.

The bill sponsor would like representation on the P&T Committee by parties who would ultimately be affected by the drug classifications.

The bill sponsor would like language that requires a "cooling off" period for committee members.

NACDS: Requires the committee to meet at least quarterly.

1 **Sec. 8. 1. Members of the Committee serve without compensation,**
2 **except that a member of the Committee is entitled, while engaged in the**
3 **business of the Committee, to receive the per diem allowance and travel**
4 **expenses provided for state officers and employees generally.**

5 **2. Each member of the Committee who is an officer or employee of**
6 **the State of Nevada or a local government must be relieved from his**
7 **duties without loss of his regular compensation so that he may prepare**
8 **for and attend meetings of the Committee and perform any work**
9 **necessary to carry out the duties of the Committee in the most timely**
10 **manner practicable. A state agency or local governmental entity shall not**
11 **require an officer or employee who is a member of the Committee to**
12 **make up the time that he is absent from work to carry out his duties as a**
13 **member of the Committee or to use annual vacation or compensatory**
14 **time for the absence.**

15 **Sec. 9. The Committee shall:**

16 **1. Advise the Department on issues relating to the provision of**
17 **prescription drugs by programs administered by the Department;**

18 **2. Recommend guidelines to the Department for prescription drugs**
19 **that are provided by programs administered by the Department;**

20 **3. Identify the prescription drugs which should be included on the**
21 **list of preferred prescription drugs developed by the Department**
22 **pursuant to section 11 of this act;**

23 **4. Identify classes of therapeutic prescription drugs for its review**
24 **and perform a clinical analysis of each drug included in each class that**
25 **is identified for review;**

26 ~~5. Advise the Department concerning the negotiation of~~
27 ~~supplemental rebates and other program benefits with manufacturers of~~
28 ~~prescription drugs pursuant to section 12 of this act;~~

29 ~~6. Ensure that a manufacturer of prescription drugs who agrees to~~
30 ~~provide a supplemental rebate or other program benefit to the~~
31 ~~Department pursuant to section 12 of this act has an opportunity to~~
32 ~~present evidence which supports the inclusion of its prescription drugs~~
33 ~~on the list of preferred prescription drugs developed by the Department~~
34 ~~pursuant to section 11 of this act; and~~

35 ~~7. 6. Identify prescription drugs which should be exempt from the~~
36 ~~requirements of section 5 of this act because a change of a prescription~~
37 ~~of a patient might be detrimental to the patient, including, without~~
38 ~~limitation, prescription drugs, equipment and supplies for the treatment~~
39 ~~of diabetes, antiretroviral prescription drugs that are prescribed for a~~
40 ~~person infected with the human immunodeficiency virus, prescription~~
41 ~~drugs that are prescribed for a person with a mental illness, and~~
42 ~~prescription drugs for family planning and birth control and atypical~~
43 ~~antipsychotic drugs.~~

44 **Sec. 10. The Committee may:**

NACDS: RE deletion of #5: The focus of the committee should be on selecting the best drug in the class, based on sound clinical analysis, that should be put on the PDL. The committee's role should not be to negotiate prices. The department or a third party administrator should negotiate the rebates with manufacturers.

NACDS: RE deletion of #6: "To achieve success, we need to keep the integrity of the process intact." Members do not need to be lobbied. Clinical judgment, peer review articles, and published studies should provide the committee with enough information to make decisions.

NACDS: Medical equipment and supplies need to be deleted because it is not part of the Medicaid drug budget. Diabetes drugs are a top spend category and should be reviewed.

NACDS: This section is unnecessary. We need to uphold the integrity of the committee.

NACDS suggested deleting subsection 4 of Section 10 concerning investigations and hearings. The bill sponsor does not support this amendment.

1 ~~1. Apply for and accept any gift, donation, bequest, grant or other~~
2 ~~source of money to aid the Committee in carrying out its duties;~~

3 ~~2. With the approval of the Director of the Department, enter into~~
4 ~~contracts for any services necessary to carry out its duties;~~

5 ~~3. Establish subcommittees to investigate and analyze specific~~
6 ~~issues that arise as the Committee carries out its duties;~~

7 ~~4. Conduct investigations and hold hearings in connection with its~~
8 ~~review and analysis; and~~

9 ~~5. Direct the Department to assist in its research, investigations,~~
10 ~~review and analysis.~~

11 **Sec. 11.** The Department shall develop a list of preferred
12 prescription drugs to be used by each program administered by the
13 Department that provides prescription drugs. The list must include:

14 1. Prescription drugs identified by the Committee pursuant to
15 subsection 3 of section 9 of this act;

16 2. Prescription drugs which are prescribed for the treatment of the
17 same condition or disease as, but are less expensive than, the
18 prescription drugs identified by the Committee pursuant to subsection 3
19 of section 9 of this act; and

20 3. Certain prescription drugs which are included in the
21 supplemental rebate program operated by the Department pursuant to
22 section 12 of this act.

23 **Sec. 12.** The Department shall:

24 1. Negotiate supplemental rebates with manufacturers of
25 prescription drugs, including, without limitation, cash rebates;

26 2. Negotiate other program benefits with manufacturers of
27 prescription drugs, including, without limitation, programs for the
28 management of disease, programs for the donation of prescription drugs,
29 drug utilization control programs, programs to educate and counsel
30 prescribers and beneficiaries of prescription drugs, and programs for the
31 prevention of fraud and abuse involving prescription drugs; and

32 3. Consider the placement of each prescription drug manufactured
33 by a manufacturer who agrees to provide a supplemental rebate or other
34 program benefit to the Department on the list of preferred prescription
35 drugs developed by the Department pursuant to section 11 of this act.

36 Sec. 13 (See Item 1 on the attached page)

37 Sec. 14 (See Item 2 on the attached page)

38 Sec. 15 (See Item 3 on the attached page)

39 Sec. 16 (See Item 4 on the attached page)

40 Sec. 17 (See Item 5 on the attached page)

41 ~~Sec. 13.- 18~~ As soon as practicable after July 1, 2003, the Governor
42 shall appoint to the Pharmacy and Therapeutics Committee:

43 1. Three physicians licensed to practice medicine in this state and two
44 pharmacists registered in this state to serve initial terms of 1 year;

- 1 2. Three physicians licensed to practice medicine in this state and two
- 2 pharmacists registered in this state to serve initial terms of 2 years; and
- 3 3. One member appointed from the list provided by the Department of
- 4 Human Resources to serve an initial term of 2 years.
- 5 ~~Sec=14.-~~ 19 This act becomes effective on July 1, 2003.

H