

MAINE STATE LEGISLATURE

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R.O.F.S.

Date: 4/10/08

Majority

(Filing No. H-1011)

APPROPRIATIONS AND FINANCIAL AFFAIRS

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
123RD LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 1591, L.D. 2231, Bill, "An Act To Reduce the Cost of Prescription Drugs Purchased by the State and Counties by Using Section 340B of the Federal Public Health Service Act"

Amend the bill by inserting after the title and before the enacting clause the following:

'Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, it is essential to reduce the cost of prescription drugs purchased by the State and counties as soon as possible; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,'

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. Prescription drugs. The Governor's Office of Health Policy and Finance shall coordinate with the Department of Health and Human Services and other state agencies and representatives of state employees, health care providers and federally qualified health centers to identify opportunities no later than July 1, 2009 to provide prescription drugs through Section 340B of the federal Public Health Service Act, 42 United States Code, Section 256b (2006) for the following, if the costs of implementing such a plan are less than the current cost of providing prescription drugs:

- 1. State-funded managed care plans;
2. MaineCare;
3. State bulk purchasing initiatives; and

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 1591, L.D. 2231

1 4. Populations using high-cost chronic care and specialty drugs. In carrying out the
2 provisions of this subsection, the Department of Health and Human Services shall by
3 January 15, 2009 prepare and issue a request for proposal for speciality drugs with the
4 greatest potential for savings. The Department of Health and Human Services shall
5 report to the joint standing committees of the Legislature having jurisdiction over
6 appropriations and financial affairs and health and human services matters by January 15,
7 2009 on the opportunities identified and the request for proposal.

8 **Sec. 2. Prescription drugs; corrections and county jails.** The Department of
9 Corrections shall convene a working group with members including the director of health
10 care services, the director of clinical and treatment services and the mental health
11 criminal justice manager within the department; 3 persons representing the counties
12 including at least one sheriff or designee of a county participating in the statewide
13 Department of Corrections pharmacy contract; the director of pharmacy affairs in the
14 Governor's Office of Health Policy and Finance; and representatives of employees,
15 covered entities and other interested persons. The working group shall identify
16 opportunities to provide prescription drugs through Section 340B of the federal Public
17 Health Service Act, 42 United States Code, Section 256b (2006) to inmates and
18 employees in youth correctional facilities, county jails and state prisons, where cost
19 effective and practicable. The Department of Corrections shall report to the joint
20 standing committees of the Legislature having jurisdiction over appropriations and
21 financial affairs and health and human services matters as necessary to incorporate any
22 recommendations into future contracts, but at minimum an interim report must be
23 provided to both joint standing committees by January 15, 2009 and a final report must be
24 provided to both committees by January 15, 2010.

25 The Department of Corrections shall promptly enter into negotiations with its current
26 medical services and pharmacy contractor to recover a greater percentage of rebates,
27 discounts and other financial considerations paid by prescription drug manufacturers and
28 wholesalers to that contractor, and shall incorporate provisions into future contracts that
29 comply with the provisions of the Maine Revised Statutes, Title 22, chapter 603,
30 subchapter 4, including transparency, conflict of interest and rebate pass-through
31 requirements.

32 **Sec. 3. Covered entities.** In developing and implementing the plans required in
33 sections 1 and 2 of this Act, the Department of Health and Human Services and the
34 Department of Corrections shall consider all health care providers and facilities in the
35 State potentially eligible for designation as covered entities under Section 340B of the
36 federal Public Health Service Act, 42 United States Code, Section 256b (2006), including
37 without limitation all hospitals eligible as disproportionate share hospitals; recipients of
38 grants from the United States Public Health Service; federally qualified health centers;
39 federally qualified look-alikes; state-operated AIDS drug assistance programs; Ryan
40 White CARE Act Title I, Title II and Title III programs; tuberculosis, black lung, family
41 planning and sexually transmitted disease clinics; hemophilia treatment centers; public
42 housing primary care clinics; and clinics for homeless people.

43 **Emergency clause.** In view of the emergency cited in the preamble, this
44 legislation takes effect when approved.

SUMMARY

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This amendment replaces the bill and removes language that requires that counties and the Department of Corrections contract only with entities that are eligible to participate in the purchase of prescription drugs under Section 340B of the federal Public Health Service Act.

This amendment requires the Governor's Office of Health Policy and Finance to coordinate with the Department of Health and Human Services in identifying opportunities to provide prescription drugs through Section 340B. It directs the Department of Health and Human Services to prepare and issue a request for proposal for specialty drugs with the greatest potential for savings. It directs the Department of Corrections to convene a working group to identify opportunities for cost savings through Section 340B. It directs the Department of Corrections to enter into negotiations with its current medical services and pharmacy contractor to recover a greater percentage of rebates and discounts paid by prescription drug manufacturers and wholesalers.

FISCAL NOTE REQUIRED
(See attached)



123rd MAINE LEGISLATURE

LD 2231

LR 3501(02)

**An Act To Reduce the Cost of Prescription Drugs Purchased by the State and Counties by Using
Section 340B of the Federal Public Health Service Act**

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Appropriations and Financial Affairs

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - General Fund

Fiscal Detail and Notes

Any additional costs to the Department of Health and Human Services, the Department of Corrections, or the Governor's Office of Health Policy and Finance can be absorbed utilizing existing budgeted resources.