# Bill as Introduced

# HB 425 – AS INTRODUCED

2003 SESSION

03-0533
01/09

HOUSE BILL ***425***

AN ACT establishing the prescription drug cost task force.

SPONSORS: Rep. Akins, Graf 18; Rep. Griffin, Rock 76; Rep. Dalrymple, Rock 76; Sen. Peterson, Dist 11; Sen. Larsen, Dist 15

COMMITTEE: Health, Human Services and Elderly Affairs

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## ANALYSIS

This bill establishes the prescription drug cost task force. Under this bill, the task force is to study issues regarding cost of prescription drugs for New Hampshire citizens.

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Explanation: Matter added to current law appears in ***bold italics.***
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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Three*

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*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1 Task Force Established. There is hereby established the prescription drug cost task force.

2 Membership and Compensation.

I. The members of the task force shall be as follows:

(a) Three members of the house of representatives, appointed by the speaker of the house.

(b) Three members of the senate, appointed by the president of the senate.

(c) The commissioner of the department of health and human services, or designee.

(d) The insurance commissioner, or designee.

(e) A representative of the New Hampshire Medical Society, appointed by such society.

(f) Two public members, appointed by the governor.

(g) A physician licensed under RSA 329, appointed by the board of medicine.

(h) A licensed pharmacist, appointed by the New Hampshire board of pharmacy.

II. The task force may solicit information from any source the task force deems relevant.

III. Legislative members of the task force shall receive mileage at the legislative rate when attending to the duties of the task force.

3 Duties. The task force shall study prescription drug costs in New Hampshire by analyzing the effectiveness of a range of options or solutions to enable citizens to purchase necessary prescription drugs at the lowest possible price and to ensure access to such prescription drugs. The task force's study shall include but not be limited to:

I. A review of RSA 318:47-d, RSA 126-A:3,V, and any other relevant laws.

II. The feasibility of establishing a nonprofit pharmacy program, possibly in conjunction with other states.

III. Whether New Hampshire should become a member of the National Legislative Association on Prescription Drug Prices.

IV. How to convey information relative to cost effectiveness of drugs to consumers and doctors thereby making them more informed consumers.

V. Any other matter relative to prescription drugs the task force deems relevant.

4 Chairperson; Quorum. The members of the task force shall elect a chairperson from among the members. The first meeting of the task force shall be called by the first-named house member. The first meeting of the task force shall be held within 45 days of the effective date of this section. Six members of the task force shall constitute a quorum.

5 Report. The task force shall make an interim report on or before November 1, 2003 and a final report on or before November 1, 2004, together with its findings and any recommendations for proposed legislation, to the speaker of the house of representatives, the senate president, the house clerk, the senate clerk, the governor, and the state library.

6 Effective Date. This act shall take effect upon its passage.

# Speakers

# SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # HB 425 Date Feb 11 03

Committee HHS

**** Please Print All Information ****

| Name | Address | Phone | Representing | Pro | Con |
|---|---|---|---|---|---|
| Jamie Bulen AARP NH | 900 Elm St | 621-1003 | → | ✓ | |
| Rep Mary E Griffin | Windham | 432-0959 | | ✓ | |
| Sen Andrew Peterson | P'boro NH | 924-3321 | Dist 11 | ✓ | |
| Tracey Tan | | 271-4680 | NH DHHS, Div. of Elderly + Adult Services | ✓ | |

# Hearing Minutes

**HOUSE COMMITTEE ON HEALTH, HUMAN SERVICES AND ELDERLY AFFAIRS**

**PUBLIC HEARING ON HB 425**

**BILL TITLE:** establishing the prescription drug cost task force

**DATE:** February 11, 2003

**LOB ROOM:** 205 **Time Public Hearing Called to Order:** 10:00 a.m.

**Time Adjourned:** 11:00 a.m.

(please circle if present)

**Committee Members:** Reps. Batula, Dalrymple, Chabot, Joseph Manning, P. Katsakiores, Pilliod, Wendelboe, MacKay, S. Eaton, Barry, C. Brown, Daniels, McMahon, Price, Weldy, French, Seldin, Harris, Sokol, Shultis and Miller.

**Bill Sponsors:** Rep. Akins, Griffin, Dalrymple; Sen. Peterson, Larsen

**TESTIMONY**

* Use asterisk if written testimony and/or amendments are submitted.

*Rep. Ralph Akins, sponsor. Introduced the bill and spoke in favor. Submitted written testimony, in file. Rep. Batula (Question): How many study commission on prescription issues are now in place? (Answer): This study pinpoints the escalating cost of medication and has a well-balanced commission. Rep. Batula (Question): Do you know if there is a similar task force in place? (Answer): I don't think there is one. Rep. Sokol (Question): Are there regional or multi-state groups? (Answer): Yes, it would be useful to study that possibility. On Lines 26-27, reviewed duties and stated that Item "V" is the most important. Rep. Weldy (Question): Why do we continue to study this and spend money? (Answer): Could have an earlier report date. Rep. Weldy (Question): Why can't we just move directly to lowering costs? (Answer): There are bills in to address some of that coming from the Senate. Maine has had a plan but it was challenged in court. Rep. Weldy (Question): Isn't it true that the federal government gives grants to research medications? (Answer): Not sure about that. Rep. Chabot (Question): Do we know where the rising costs come from? (Answer): I think this is a good reason for the task force. Rep. Chabot (Question): Do we know who pays for the advertising of these medications? (Answer): In the end, it is the consumer who pays. Rep. Katsakiores (Question): For the past 20 years, we have been studying prescription drugs. What is new? (Answer): Escalating cost is new. Rep. Miller (Question): There are multiple groups in existence. Would you have any objection to joining in with others who are studying the subject? Adding any group would be confusing the effort. (Answer): I have no problem with amending the bill to collaborate with existing efforts.

*Senator Sylvia Larsen, co-sponsor. Chairman of a two-year study over last session. Section III, we are a member, but don't pay dues. See the "My Turn" article from the Concord Monitor (in file). The article summarizes the final report of the two-year study. SB 96 is the result of that study and does establish a plan. The plan requires a Medicaid waiver. Rep. Batula (Question): SB 96 is the final report of the task force? (Answer): Yes, it is, plus there is a written report. There are some areas we didn't get to study, e.g. significance of cost of advertising. However, it is important that we continue to study and become educated. Rep. Sokol (Question): Is the task force continuing? (Answer): No, it is

over. Rep. Sokol (Question): Is the bill a continuation of your study? (Answer): It would be a new group. Rep. Sokol (Question): What is the bill supposed to be doing about cost? (Answer): The waiver would mean a lower cost. It would limit benefits and lower the cost. The tobacco tax increase, if passed, could be used for lowering the cost of prescriptions. Rep. Miller (Question): I am not clear where you want this committee to go. Will there be an entirely new group or will they pick up where you left off? The increased costs come from pharmaceutical companies. (Answer): Having served eight years, I have found it is important to continue focusing on the issue, as some good issues don't get passed. Rep. Miller (Question): What would you ask the House to do? (Answer): Support SB 96 and pass the bill to form a new advocate group. Rep. Pilliod (Question): HB 425 simply starts another task force? (Answer): Support SB 96. We could attach HB 425 to SB 96. Rep. Eaton (Question): How much input from Maine? (Answer): We have been in touch with Maine and used their experiences to survive a court challenge. Rep. French (Question): Re: the National Association on Prescription Drug Prices – how do we participate? (Answer): We just attend without paying.

Sara Dustin, NH Assn. for the Elderly, Vice Chairman (representing Bob Stauffer). Supports this bill. Would like New Hampshire to collaborate with others (i.e., coalition of states) in bulk buying. The unsubsidized population is paying more. Refer to Lines 25-26, importance of public education on why medication prices are increasing. Rep. Miller (Question): What is the cost for joining the National Legislative Assn.? (Answer): Don't know. Rep. Miller (Question): Doesn't this group do anything? (Answer): Maine and Vermont have benefited. Bob Stauffer will call you.

Cheryl Rivers, Ed.Dr., WLHPDP. New Hampshire lags behind other states in lowering costs for the elderly. New Hampshire has a great deal to gain from Medicaid waivers – pharmacy plus federal programs. Our emphasis is on price. We share information on what states are doing on purchasing. Quarterly meeting – share list of preferred drug list. E-mail information is available Sen. Larsen, Rep. Emerton and Rep. Taylor are New Hampshire representatives reappointed by the Speaker (can have three). The next meeting is in Boston. Planning the formation of a non-profit corporation to buy in bulk. Budget is slightly over $100,000. Many requests for information come from New Hampshire. $25,000-50,000 is the suggested cost for states. Rep. Sokol (Question): When will the non-profit status get off the ground? (Answer): In the process of developing a business plan. Have a consultant working on this. Keep your options open as we may have a better plan for you.

Pink Cards:

- Sen. Sylvia Larsen, co-sponsor. Supports the bill.
- Sara Dustin, NH Assn. of the Elderly. 746-4817. Supports the bill.
- Cheryl Rivers, National Legislative Assn. on Prescription Drug Prices, 133 State St., Room 313, Montpelier, VT. 802-828-0659. Supports the bill.

Respectfully submitted,

Rep. James R. MacKay
Committee Clerk

JRM:co

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AKINS
~~[illegible]~~
~~Bodula~~
~~Sokol~~
Weldy
~~Chabot~~
~~Kalsakivas~~
~~Miller~~

Sen. Larsen
~~Bodula~~
Weldy
~~Sokol~~
~~Miller~~
~~Pittiod~~
~~Emon~~
~~French~~

Dustin
~~Miller~~

Rivers
~~Seldin~~
~~Sokol~~

EXEC. Session 2/12
I.T.L. – Mackay
2nd Price
Vote 15–0
Regular Calendar.

~~Sokol~~ ~~Pittiod~~
~~Pittiod~~ ~~Manny~~
~~Price~~
~~Shaltis~~
~~Mackay~~
~~French~~
~~Weldy~~

56% of Seniors do not have Rx ensurance. (38% Rest of the nation)
Larsen – avg. Spend $1700 on Rx
apply a 1115 waiver (federal)
S.B. 96 is being worked now. Support this in the bleab.
Have a Healthy Kids bill this year!

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II. The feasibility of establishing a nonprofit pharmacy program, possibly in conjunction with other states.

III. Whether New Hampshire should become a member of the National Legislative Association on Prescription Drug Prices. (we are a member now) note

IV. How to convey information relative to cost effectiveness of drugs to consumers and doctors thereby making them more informed consumers.

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# Testimony

SENATOR LARSEN REQUESTS
AMENDMENT TO HB 425
2/13/03

NH COMMISSION TO STUDY STRATEGIES TO MAXIMIZE THE USE OF THE FEDERAL PRESCRIPTION DRUG PROGRAM UNDER SECTION 340 b OF PUBLIC LAW 102-585

INCLUDE WHEREAS CLAUSES?? (I.E. KENTUCKY DRAFT)

Duplicate Sec. 2 for duties

COMMISSION MEMBERS;

3 HOUSE
3 SENATE
REPRESENTATIVE FROM DHHS
" " FROM CORRECTIONS, (MEDICAL SERVICES)
COMMISSION ON AGING
BI-STATE PRIMARY CARE ASSOCIATION
NH HOSPITAL ASSOCIATION

REPORT BY NOV 1,2003

A JOINT RESOLUTION directing the Cabinet for Health Services to conduct a study to identify strategies to maximize the use of the federal prescription drug discount program under Section 340B of Public Law 102-585.

WHEREAS, Section 340B of Public Law 102-585 provides discounts on outpatient drugs to certain covered entities; and

WHEREAS, the 340B program provides access to these discounts to more than 9,000 health care facilities that are certified as covered entities by the United States Department of Health and Human Services; and

WHEREAS, more than 250 entities in Kentucky are already participating in this valuable discount program; and

WHEREAS, on average, the 340B program prices for drugs are estimated to be 51 percent lower than the average wholesale price, 39 percent lower than average manufacturer's price, and 19 percent lower than the Medicaid net price; and

WHEREAS, there is a significant number of safety net providers in the state that may qualify as covered entities that are not participating in the program; and

WHEREAS, expansion of the 340B program to more covered entities will result in less expensive prescription drugs for many people who otherwise have no or limited access to discounted prescription drug prices; and

WHEREAS, it is possible that expansion of the 340B program could result in substantial savings in Medicaid;

NOW, THEREFORE,

***Be it resolved by the General Assembly of the Commonwealth of Kentucky:***

Section 1. The Cabinet for Health Services shall lead a work group to explore all avenues to maximize prescription drug discounts that may be achieved by using the 340B program. The work group shall study and report on:

(1) The benefits of the 340B program;

(2) Strategies and options to encourage health care providers participating in

Medicaid to access 340B discounts;

(3) Innovative approaches and strategies to increase the number of health care providers participating in the program;

(4) Strategies to improve access to prescription drug discounts for consumers of other publicly supported programs and services, including but not limited to state-operated and state-supported mental health services, and health care services provided to inmates of state and local correctional facilities and county jails;

(5) Strategies to increase access to prescription drug discounts under the 340B program for the uninsured;

(6) The estimated cost savings associated with increased participation in the 340B program; and

(7) Policy considerations for the General Assembly.

Section 2. The secretary of the Cabinet for Health Services shall appoint representatives from the Department for Medicaid Services, the Department for Public Health, the Department for Mental Health and Mental Retardation Services, and the Office on Aging as members of the work group and may invite other safety net health care providers and private health care organizations to join the work group. The secretary of the Justice Cabinet shall appoint representatives from the Department of Corrections as members of the work group. The executive director or a designee of the Kentucky Jailers' Association shall be a member of the work group.

Section 3. The Cabinet for Health Services shall submit a report of its findings and recommendations by October 30, 2003, to the Legislative Research Commission, the Interim Joint Committee on Appropriations and Revenue, and the Interim Joint Committee on Health and Welfare.

New Hampshire
Prescription Drug Assistance
Programs

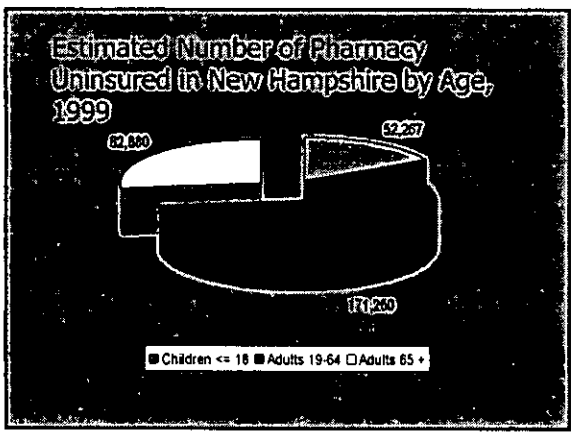
House and Senate Finance Committee
Briefing on Pharmaceuticals

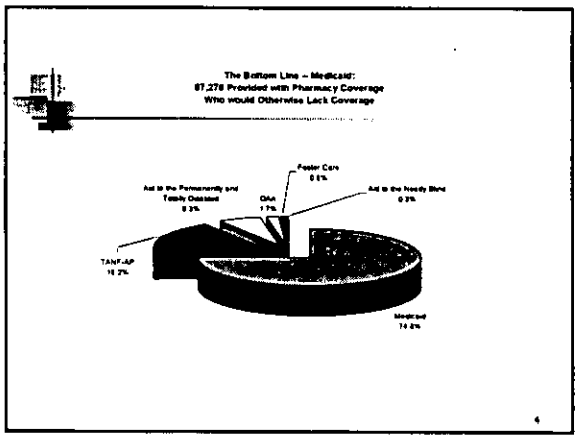
Department of Health and Human Services
February 4, 2003

## Pharmacy Programs & Eligibility

- New Hampshire (NH) Programs
  - Medicaid
  - NH Medication Bridge Program
  - NH Senior Prescription Drug Discount Program
- State Innovations
- Federal Programs
  - Medicare
  - Veterans Benefits
  - Community Health Center 340B Pricing Program
- Informational Resources to Assist with Access

2

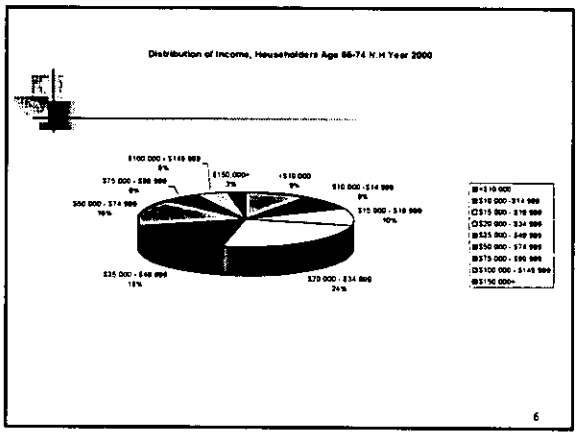


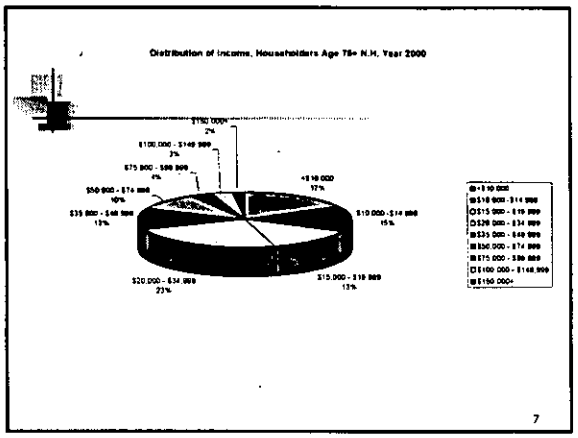



## Seniors and Pharmacy Access

- Many seniors lack prescription drug coverage
  - 56% of NH seniors have no coverage
  - 44% of NH seniors have some coverage
- Many seniors live on fixed incomes
  - 25% of NH seniors have incomes less that $15,000
  - 54% of NH seniors have incomes less than $30,000
- Seniors take on average 4-9 prescriptions per day
  - 1998: Medicare beneficiaries filled 31% fewer prescriptions than those with coverage and spent 40% more out of pocket

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## Medicaid Prescription Drug Assistance

- Medicaid provides full prescription drug coverage to any eligible person.
- PBM to control utilization, quality and expenditures
- Eligibility determined according to income, resources and other categorical requirements
- Individuals covered:
  - Medicaid: 65,304
  - TANF: 14,095
  - Old Age Assistance: 1,475
  - Aid to the Permanently and Totally Disabled: 5,504
  - Aid for Needy Blind: 220

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## NH Medication Bridge Program

- Medication Bridge Program is a network of approximately 50 sites that assist with access to free and reduced-cost medication programs offered by manufacturers.
- Income eligibility varies according to pharmaceutical company. Generally, income must be less than or equal to 200% of FPL.
  - Must have no prescription coverage .
  - Must be a US Resident.
  - No Age requirement.
- For long-term medications only.
- Since January 2001: 132,530 Rxs; $26.7 million value; 12,126 people served

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## New Hampshire Senior Prescription Drug Discount Pgm.

- **Administered by National Prescription Administrators (NPA), a Division of ExpressScripts**
- **Must be a NH resident aged 65 and older; no application fee or income test**
- **Up to 15% discount on brand name drugs and up to 40% discount on generic medications at participating pharmacies**
- **Savings: $3.9 million; average 17.1% savings**

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## State Innovations: Maine Preferred Drug List (PDL) - "Discount Only"

- *Maine Rx* – any uninsured Maine resident
- Discount program financed by manufacturer rebates
- Requires Medicaid preferred drug list (PDL) to leverage rebates
- No state appropriation
- Enjoined in 2001 before implemented – still pending before US Supreme Court

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## State Innovations: Maine 1115 Waiver -"Discount Only"

- *Maine Healthy Prescriptions* – uninsured residents under 300% FPL
- 25% discount – same price paid by Maine Medicaid
- State covers 2% of cost ($1 M/year) Manufacturer rebates cover 17%
- DC Court of Appeals struck down 12/24/02
- New approval required by federal HHS

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## State Innovations: 1115 Waiver "Full Benefit"

- *"Pharmacy Plus"* – under 200% of FPL
- Full prescription drug benefit – pay only annual enrollment fee and copay
- Substantial state appropriation required – matched by federal government
- 5 states have received approval; 9 states have filed applications
- NH Healthy Families Campaign (LSR 270)

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## Medicare Federally Administered Prescription Drug Benefits:

- President Bush Medicare-Endorsed Rx Drug Card
  - Drug discount programs apply to Medicare for endorsement of program
  - Consumers pay one time $25 fee for Medicare discount card to receive up to 15% discount on prescription drugs
- President Bush introduced plan 7-12-01
- Solicitation for applications released 1-8-03
- US District Judge ruled program illegal 1-29-03

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## Medicare Federally Administered Prescription Drug Benefits:

- Bush Administration's current 2003 proposal for Medicare Reform:
  - Medicare will remain as is for those who choose not to change. Fee for service will receive no prescription benefit.
  - $400 Billion over ten years for those who choose HMO type of coverage that will include a prescription drug benefit.
    - Details unknown
    - Concern: Medicare +Choice, the current Medicare HMO model is riddled with problems.
      - NH and 14 other states have no Medicare +Choice programs. Insurers fled unprofitable markets. Rural states earliest to lose their programs.
      - Premiums have skyrocketed for seniors, co-pays increased, benefits have been reduced, participants capped.
  - Criticism mounting since the1/28/03 State of the Union address.

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## VETERAN'S BENEFITS Eligibility Requirements

- Honorably discharged veterans from active military service
  - If discharged prior to 1980, any service time qualifies
  - If discharged after 1980, 2 years of active service completed required
- Co-pay of $7 for prescriptions written by a VA provider
- NH residents served: approximately 17,000
- NH residents on waiting list: approximately 1,000
  - Funding limitations: must have service-related injury and meet income eligibility standards

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## US Public Health Service 340B Pricing Program

- Significant cost savings on outpatient drugs provided to participating entities such as:
  - Federally Qualified Community Health Centers
    - Littleton, Dover, Rochester and Berlin
  - Homeless Clinics
- Only patients of participating entities are eligible to receive this benefit
- Discounts of 50-60% below Average Wholesale Price

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## Informational Resources for Consumers

- National Council on Aging Benefits Checkup Rx (www.benefitscheckup.org)
  - New website service helps seniors find drug discounts via a confidential screening tool
  - A questionnaire is completed online
  - The service displays a report that shows all programs the user is eligible for and how to access and enroll in each one
- Medicare Website (www.medicare.gov)
  - Info on general Medicare medical benefits
  - Medicare covers in-hospital medications,cancer medications, and diabetes medications
  - Rx Program Database includes: Pharmaceutical Manufacturer Discounts, State Prescription Assistance Programs, Disease specific programs, Medicare managed care plans and Medigap policies

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## Contact Information

- Veterans Benefits
  - Phone: 603-624-4366 ext. 6073 or 800-892-8384 ext. 6073
  - Website: www.visn1.med.va.gov
- NH Medication Bridge Program
  - Phone: 603-225-0900
  - Website: www.healthynh.com
- New Hampshire Senior Prescription Discount Program
  - Phone: 1-888-580-8902
  - Website: http://www.npa.com
- Service Link
  - Toll Free Phone: 1-866-634-9412
  - Website: http://webster.state.nh.us/servicelink/

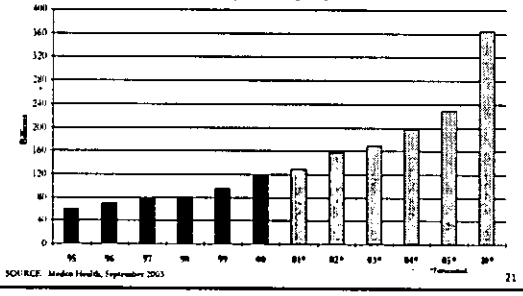
19

## NH Medicaid: Managing Pharmaceutical Expenditures

Joint Finance Committee
February 4, 2003
Lisa Swenson, Assistant Director
Office of Health Planning
and Medicaid

## Pharmacy Overview

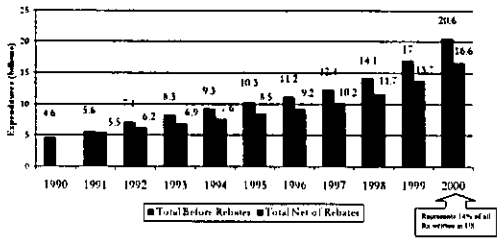
National Annual Prescription Drug Expenditures, 1995-2010



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## National Overview- Medicaid

Medicaid Expenditures for Prescription Drugs, FFS Only, 1990-2000

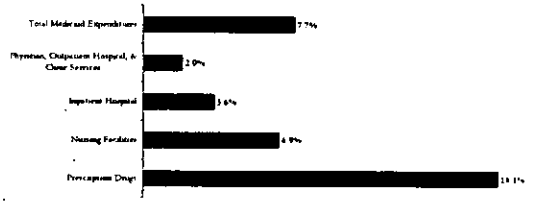



SOURCE: Kaiser Commission on Medicaid and the Uninsured, Jan., 2002

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## National Overview- Medicaid

Average Annual Growth in Medicaid Expenditures for Selected Service, 1997-2000



SOURCE: Kaiser Commission on Medicaid and the Uninsured, Jan., 2002

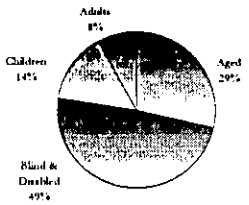
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## Key Cost Drivers

- Increased Utilization
  - Patient demand
  - Drug manufacturers marketing efforts
  - Increased preventative prescribing
- Increased Cost
  - Introduction of new & expensive drug therapies
  - Price increases for established drugs
- Change in Mix
  - Shift in utilization from established drugs to new drugs

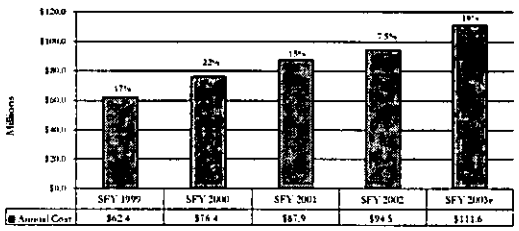
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## NH Medicaid Drug Spend by Eligibility , 2002



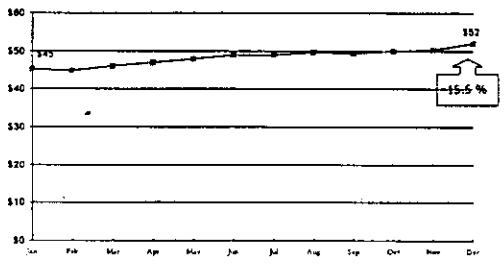

25

## NH Medicaid Drug Costs Annual Growth Before Drug Rebates Applied- SFY 1999-2003e



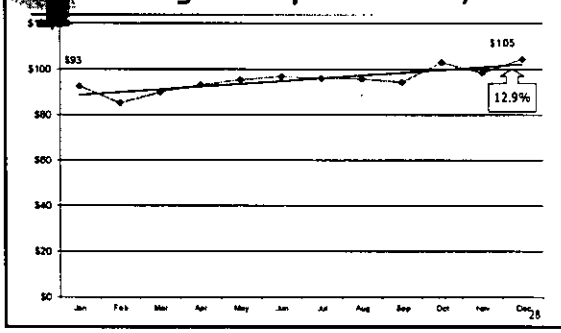

26

## NH Medicaid Average Cost per Script, 2002



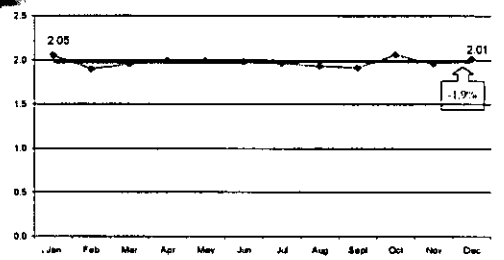

27

## NH Medicaid
## Average Cost per Enrollee, 2002




28

## NH Medicaid
## Number of RX per Enrollee, 2002




29

## NH Medicaid
## Top 5 Drug Categories, July-Dec. 2002

| Category | # RX | Total Paid |
|---|---|---|
| Behavioral Health & Neurology | 289,000 | $ 22.6 M |
| Cardiovascular | 159,000 | $ 5.2 M |
| Pain Medications | 131,000 | $ 4.9 M |
| Anti Infectives | 72,000 | $ 3.9 M |
| Gastrointestinal | 80,000 | $ 3.5 M |

30

## NH Medicaid Pharmacy Management Today

Key Program Components

- Drug utilization review
- Mandatory generic substitution
- Four-tiered pricing
- Recipient cost sharing
- Prior authorization
- Manufacturer's rebates

NOTE: SFY 02 Savings $9.3 M

31

## Drug Utilization Review (DUR) The Nation and NH Medicaid, 2003

| | The Nation Medicaid States | New Hampshire |
|---|---|---|
| **Prospective DUR** | | |
| Duplicative Drug Therapies | 40 | X |
| Drug-drug interaction | 40 | X |
| Dosage Levels | 35 | X |
| Prescription Duration | 33 | X |
| **Retrospective DUR** | Mandated | X |

SOURCE: Kaiser Commission, 2002

32

## Mandatory Generic Substitution, 2002

- Nation: 16 States encourage or require use of generics
- NH: Implemented Mandatory Generic Substitution Law in 1995

33

## Pharmacy Reimbursement: NH Medicaid and The Nation, 2003

| | Discounts Negotiated on Average Wholesale Price | Dispensing Fee |
|---|---|---|
| National Medicaid | 10-13% | $4.15 |
| NH Medicaid | 12% | $2.50 |
| National Managed Care | 12-15% | $2.28 |

Source: Center for Health Care Strategies Inc., 2003

34

## Prior Authorization NH Medicaid and the Nation, 2003

| Drug/Drug Class | Nation/Medicaid States | NH |
|---|---|---|
| Gastrointestinal Drugs | X | X |
| Anti-Obesity Medications | X | X |
| Non-Steroidal Anti-Inflammatory Drugs | | X |
| Oxycontin | | X |

35

## Manufacturer Drug Rebates NH Medicaid and the Nation, 2003

| | |
|---|---|
| National Medicaid | 18-20% Brand<br>10-11% Generic |
| NH Medicaid | 18% Overall |
| National Managed Care | 6% Brand Only |

Source: Center for Health Care Strategies Inc., 2003

36

## SFY 03-05 Initiatives

- Pharmacy Lock-In Program
- Pharmacy auditing
- Quantity limit edit
- Reduce Over The Counter
- Review Pharmacy Reimbursement pricing
- Dose consolidation
- Clinical profiling & detailing
- Increase recipient cost sharing
- Preferred Drug List

37

## Preferred Drug List (PDL)

- A list of "preferred drugs" to be dispensed to Medicaid Recipients.
- "Non preferred drugs" may be covered but require prior authorization.
- Drugs selected for the list are based on on clinical efficacy and value.
- PDL can improve health outcomes & promotes most cost effective medications.
- Based on existing prior authorization program

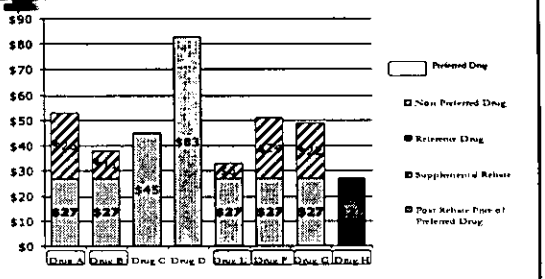
38

## PDL Process

- Identify therapeutic classes for review
- Perform clinical analysis of drugs within each selected class & consult with clinical experts
- Determine "Reference Drug" based on clinical efficacy and value
- PTAC reviews clinical literature and recommends PDL to DHHS

39

## Finalizing the Preferred Drug List




40

## Estimated Savings for New Initiatives

- SFY 04: $5.7 M
- SFY 05: $5.9 M additional

TOTAL $11.6 M

41

**HB 425 Prescription Drug Task Force - Testimony**

Good morning Mr. Chairman and members of the committee. For the record my name is Ralph Akins and I represent Grafton County District 18, which is the City of Lebanon.

The COST OF prescription drugs is rising faster than any other component of health care – as much as 20% this year, according to estimates. With those escalating prices in mind many states including New Hampshire are increasing efforts to help older citizens deal with the lack of financial resources to pay for their necessary medicines.

The State of NH has taken steps already to address the cost of prescription drugs paid for by the State through Medicaid and other assistance programs (RSA 126: A-3 shall substitute generic drugs). We are attempting to do more in order to reduce the costs for the State. This addresses the needs of only 85,000 people who qualify for these programs (see report).

Insurance companies place controls on pharmacies in order to reduce the price of prescription drugs provided to their customers covered by prescription drug insurance.

The SB 167 Study Committee on Prescription Drug Access filed its report in November 2002 and found that 56% of seniors lack prescription drug coverage, compared to the national average of 38%. Its this large group of **not- quite-so- poor** seniors on fixed incomes that do not qualify for state assistance programs like Medicaid and cannot afford prescription drug coverage who do not have access to the necessary drugs to provide for their medical needs.

Extensive work on helping all of the groups that I have mentioned needs to be done because of the spiraling upward costs of prescription drugs.

This is why a task force is needed. The membership of the task force would include all parties involved to identify the problems and construct workable solutions to address the many complex issues associated with prescription drug costs.

Otherwise NH may be tempted to resort to emergency measures like several bordering states that have resorted to busing elderly residents to Canada to buy cheaper-priced prescription drugs. This is not the NH way.

A proactive Task force may prevent costly litigation as in the case of Maine and Vermont.

HB 425 provides a vehicle that would attempt to address the concerns of all involved parties and move forward.
This Bill is intended to put all options on the table and develop a strategy

Thank you for the opportunity to appear before you hear today.

HB 425

evidence.

Thus it will justify disregarding the presumptively close-minded people who persist in denying ... what? What *are* people denying who still deny the need for force?

"It will be up to the inspectors to assess the facts as is stated in Resolution 1441." Such cheek. De Villepin put Powell through torturous word-by-word negotiation of 1441 and knows that it does not con- [illegible] power to declare for the U.N. that Iraq is or is not in material breach.

Villepin said "the disarmament of Iraq" is "a clear objective which we cannot compromise." He said

minds of the Security Council members, de Villepin said "this cooperation still contains some gray areas." Gray, indeed.

Three paragraphs after saying

[illegible] manufacturing prohibited weapons.

De Villepin having deflated the French reputation for deft diplomacy, we are left with the stark fact

[illegible] will essentially cease to exist.

There is the outline of a satisfactory outcome: Saddam removed, the U.N. reduced.

# State needs discount prescription drug plan for seniors

**By SYLVIA LARSEN**
For The Monitor

**My turn**

New Hampshire is the healthiest state in the union, yet we are laggards when it comes to helping our elderly and disabled residents gain access to the discounted prescription drugs that benefit our insured citizens.

Fifty-six percent of New Hampshire's elderly do not have prescription drug coverage compared to the national average of 38 percent. In New Hampshire an estimated 41,000 low-income uninsured senior citizens and 7,000 disabled people have no prescription drug coverage.

More and more of our elderly and disabled residents are able to remain in their homes as a result of more effective medicine and treatment. But for those who do not have insurance-negotiated discounts, the cost of life-sustaining prescription drugs can be prohibitive. In 2001 average spending on prescription drugs by Medicare beneficiaries was $1,756, representing a substantial portion of a low-income person's annual budget.

Something is wrong when the very individuals who most depend on prescription drugs to avoid more costly institutional health care must now pay full price for their medicine.

What is the state of New Hampshire doing about this problem?

I chaired a two-year legislative study committee on prescription drug access. We examined existing prescription drug assistance programs and methods of improving access to those most in need.

While pharmaceutical advances have relieved certain demands on health care providers and medical facilities, the need for and reliance upon access to affordable prescription medicine has become ever more critical.

To date, we have adopted a state approach that relies on non-comprehensive prescription drug programs (including some the drug companies themselves offer) to help with the cost of medicine. It's a patchwork system requiting cleverness, persistence and patience on the part of elderly and disabled applicants.

Several years ago, New Hampshire collaborated with the drug companies to enhance the manufacturers' free medication program outreach. The New Hampshire Medication Bridge Program works in hospitals and clinics to help the people (in the $16,000 to $21,600 income range) who most need access to affordable prescription drugs.

Qualified residents who don't have prescription coverage receive help with the time-consuming job of regularly applying for free medicine offered by manufacturers. While this is an admirable state program, the one-by-one, labor-intensive nature of the application process limits the number of people it can reach.

While the accompanying list of agencies that can help with this problem appears to be extensive, it is a maze-like system through which few can successfully negotiate.

We still have 48,000 seniors and disabled people with individual incomes of $17,180 or less who have no prescription drug coverage. We still lead most states in the nation in the percentage of elderly needing prescription assistance.

We cannot wait for the slow wheels of Congress to turn on this. It is time New Hampshire joined the 20 other states that have or are seeking federal waiver approval to operate a prescription drug assistance program for our low-income elderly and disabled.

This past week, I introduced a bipartisan bill to accomplish this. A related House bill, backed by the New Hampshire Healthy Families Coalition, also includes a prescription assistance program. Significant savings for such a program can be accomplished through federal Medicaid cost sharing, state-negotiated manufacturers rebates and other drug-use management tools.

It's time we stopped talking about our prescription drug problem and actually helped those whose continued health depends upon affordable, dependable medication access. Our existing patchwork system has a multitude of holes through which too many fall.

*(State Sen. Sylvia Larser is serving her fifth term representing District 15, which includes Concord, Loudon and Pembroke.)*

## Where to call for help

*Some seniors may be Medicaid-eligible and not realize they qualify for Medicaid's prescription drug discounts. A call to your local Health & Human Services district office or NH Helpline (866-634-9412) can help determine qualification.*

*Here is the current list of options to those seeking prescription drug assistance in New Hampshire:*

*Veterans' benefits: 603-624-4366 ext. 6073 or 800-892-8384 ext. 6073*

*Medication Bridge Program: 225-0900; Web site: http://www.healthynh.com*

*Medicaid: eligibility based on income, etc.: 1-800-351-1888*

*Direct manufacturer prescription drug discount card programs: Check with local pharmacist or physician*

*NH Senior Prescription Drug Discount Program: Between 15-40 percent discount, check if your pharmacy participates: 1-888-580-8902,*

*Service Link: can provide assistance in connecting to the above programs: 866-634-9412*

# Voting Sheets

**HOUSE COMMITTEE ON HEALTH, HUMAN SERVICES AND ELDERLY AFFAIRS**

**EXECUTIVE SESSION on HB 425**

**BILL TITLE:** **establishing the prescription drug cost task force.**

**DATE:** February 12, 2003

**LOB ROOM:** 205

**Amendments:**

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

**Motions:** OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. MacKay

Seconded by Rep. Price

Vote: 15-0 (Please attach record of roll call vote.)

**Motions:** OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

**CONSENT CALENDAR VOTE:** NO

(Vote to place on Consent Calendar must be unanimous.)

**Statement of Intent:** Refer to Committee Report

Respectfully submitted,

Rep. James R. MacKay, Clerk

OFFICE OF THE HOUSE CLERK 2003 SESSION

## HEALTH, HUMAN SERVICES & ELDERLY AFFAIRS

Bill #: 425 Title: Prescription Drug Task Force

PH Date: 2/11/03 Exec Session Date: 2/12/03

Motion: ITL Amendment #: None

| MEMBER | YEAS | NAYS |
|---|---|---|
| Batula, Peter L. Chairman | ✓ | |
| Dalrymple, Janeen A. V Chairman | absent | |
| Chabot, Robert F | ✓ | |
| Manning, Joseph P | ✓ | |
| Katsakiores, Phyllis M | ✓ | |
| Pilliod, James P | ✓ | |
| Wendelboe, Fran | absent | |
| MacKay, James R | ✓ | |
| Eaton, Stephanie | absent | |
| Barry, J Gail | absent | |
| Brown, Carolyn A | ✓ | |
| Daniels, Eric M | absent | |
| McMahon, Charles E | absent | |
| Price, Pamela G | ✓ | |
| Weldy, Norman E | ✓ | |
| French, Barbara C | ✓ | |
| Seldin, Gloria | ✓ | |
| Harris, Sandra C | ✓ | |
| Sokol, Hilda W | ✓ | |
| Shultis, Elizabeth C | ✓ | |
| Miller, Joseph M | ✓ | |

Regular

TOTAL VOTE: 13 0

HOUSE COMMITTEE ON HEALTH, HUMAN SERVICES AND ELDERLY AFFAIRS

EXECUTIVE SESSION on HB 425

**BILL TITLE:** **establishing the prescription drug cost task force.**

**DATE:** February 13, 2003

**LOB ROOM:** 205

**Amendments:**

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

**Motions:** OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Dalrymple **RECONSIDERATION**

Seconded by Rep. French

Vote: 12-4 (Please attach record of roll call vote.)

**Motions:** OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

**CONSENT CALENDAR VOTE:** N/A

(Vote to place on Consent Calendar must be unanimous.)

**Statement of Intent:** Refer to Committee Report

Respectfully submitted,

Rep. James R. MacKay, Clerk

**HOUSE COMMITTEE ON HEALTH, HUMAN SERVICES AND ELDERLY AFFAIRS**

**EXECUTIVE SESSION on HB 425**

**BILL TITLE:** **establishing the prescription drug cost task force.**

**DATE:** February 13, 2003

**LOB ROOM:** 205

**Amendments:**

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

**Motions:** OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Dalrymple **RECONSIDERATION**

Seconded by Rep. French

Vote: 12-4 (Please attach record of roll call vote.)

**Motions:** OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

**CONSENT CALENDAR VOTE:** N/A

(Vote to place on Consent Calendar must be unanimous.)

**Statement of Intent:** Refer to Committee Report

Respectfully submitted,

Rep. James R. MacKay, Clerk

OFFICE OF THE HOUSE CLERK 2003 SESSION

## HEALTH, HUMAN SERVICES & ELDERLY AFFAIRS

Bill #: HB 425 Title: Prescription Drug Task Force.
Reconsideration
Date: 2/13/03 Exec Session Date: /_/_

Motion: Reconsideration Amendment #:

| MEMBER | YEAS | NAYS |
|---|---|---|
| Batula. Peter L. Chairman | not voting | |
| Dalrymple. Janeen A. V Chairman | ✓ | |
| Chabot. Robert F | absent | |
| Manning. Joseph P | ✓ | |
| Katsakiores. Phyllis M | absent | |
| Pilliod. James P | ✓ | |
| Wendelboe. Fran | | ✓ |
| MacKay. James R | | ✓ |
| Eaton. Stephanie | | ✓ |
| Barry. J Gail | ✓ | |
| Brown. Carolyn A | ✓ | |
| Daniels. Eric M | ✓ | |
| McMahon. Charles E | ✓ | |
| Price. Pamela G | ✓ | |
| Weldy. Norman E | | ✓ |
| French. Barbara C | ✓ | |
| Seldin. Gloria | absent | |
| Harris. Sandra C | ✓ | |
| Sokol. Hilda W | ✓ | |
| Shultis. Elizabeth C | absent | |
| Miller. Joseph M | ✓ | |
| | 12 | 4 |
| TOTAL VOTE: | | |

**HOUSE COMMITTEE ON HEALTH, HUMAN SERVICES AND ELDERLY AFFAIRS**

**EXECUTIVE SESSION on HB 425**

**BILL TITLE:** **establishing the prescription drug cost task force.**

**DATE:** February 19, 2003

**LOB ROOM:** 205

**Amendments:**

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

**Motions:** OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Dalrymple

Seconded by Rep. MacKay

Vote: 11-7 (Please attach record of roll call vote.)

**Motions:** OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

**CONSENT CALENDAR VOTE:** NO

(Vote to place on Consent Calendar must be unanimous.)

**Statement of Intent:** Refer to Committee Report

Respectfully submitted,

Rep. James R. MacKay, Clerk

OFFICE OF THE HOUSE CLERK

2003 SESSION

## HEALTH, HUMAN SERVICES & ELDERLY AFFAIRS

**Bill #:** HB 425 **Title:** Prescription drug cost task force

PH Date: 2/11/03 Exec Session Date: 2/19/03

**Motion:** ITL Amendment #: None

| MEMBER | YEAS | NAYS |
|---|---|---|
| Batula, Peter L. Chairman | seat waiting | |
| Dalrymple, Janeen A. V Chairman | ✓ | |
| Chabot, Robert F | absent | |
| Manning, Joseph P | ✓ | |
| Katsakiores, Phyllis M | ✓ | |
| Pilliod, James P | ~~absent~~ | ✓ |
| Wendelboe, Fran | ✓ | |
| MacKay, James R | ✓ | |
| Eaton, Stephanie | ✓ | |
| Barry, J Gail | absent | |
| Brown, Carolyn A | ✓ | |
| Daniels, Eric M | ✓ | |
| McMahon, Charles E | ✓ | |
| Price, Pamela G | ✓ | |
| Weldy, Norman E | ✓ | |
| French, Barbara C | | ✓ |
| Seldin, Gloria | | ✓ |
| Harris, Sandra C | | ✓ |
| Sokol, Hilda W | | ✓ |
| Shultis, Elizabeth C | | ✓ |
| Miller, Joseph M | | ✓ |
| TOTAL VOTE: | 11 | 7 |

Printed: 1/6/2003

# Committee Report

# COMMITTEE REPORT

COMMITTEE: **Health, Human Services and Elderly Affairs**

BILL NUMBER: **HB 425**

TITLE: establishing the prescription drug cost task force.

DATE: February 12, 2003 CONSENT CALENDAR YES ☐ NO ☒

☐ OUGHT TO PASS

☐ OUGHT TO PASS WITH AMENDMENT

☒ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

NOT USED

**STATEMENT OF INTENT**
**(Include Committee Vote)**

The committee concurred with the intent of this bill. However, it was felt that the concepts included in this bill could be incorporated into SB 96. SB 96 contains recommendations from the Prescription Drug Access Study Committee final report. That report was based on two years of study and the prime sponsor of SB 96 was the chairman of the (2000-2002) study committee. The committee agreed that additional oversight on activities concerning lowering prescription drug costs and practices that will ensure access to such prescription drugs. The committee looks forward to working closely with the sponsors of SB 96 to include objectives of HB 425 into that bill.

Vote 15-0.

Rep. James R. MacKay
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

Health, Human Services and Elderly Affairs

**HB 425,** establishing the prescription drug cost task force. **INEXPEDIENT TO LEGISLATE**

Rep. James R. MacKay for Health, Human Services and Elderly Affairs: The committee concurred with the intent of this bill. However, it was felt that the concepts included in this bill could be incorporated into SB 96. SB 96 contains recommendations from the Prescription Drug Access Study Committee final report. That report was based on two years of study and the prime sponsor of SB 96 was the chairman of the (2000-2002) study committee. The committee agreed that additional oversight on activities concerning lowering prescription drug costs and practices that will ensure access to such prescription drugs. The committee looks forward to working closely with the sponsors of SB 96 to include objectives of HB 425 into that bill. **Vote 15-0.**

# COMMITTEE REPORT

COMMITTEE: **Health, Human Services and Elderly Affairs**

BILL NUMBER: **HB 425**

TITLE: establishing the prescription drug cost task force.

DATE: February 12, 2003 CONSENT CALENDAR YES ☐ NO ☒

☐ OUGHT TO PASS

☐ OUGHT TO PASS WITH AMENDMENT

☒ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

**STATEMENT OF INTENT**
**(Include Committee Vote)**

The committee concurred with the intent of this bill. However, it was felt that the concepts included in this bill could be incorporated into SB 96. SB 96 contains recommendations from the Prescription Drug Access Study Committee final report. That report was based on two years of study and the prime sponsor of SB 96 was the chairman of the (2000-2002) study committee. The committee agreed that additional oversight on activities concerning lowering prescription drug costs and practices that will ensure access to such prescription drugs. The committee looks forward to working closely with the sponsors of SB 96 to include objectives of HB 425 into that bill.

Vote 15-0.

Rep. James R. MacKay
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

P. R.

Blevl - HB 425

The committee concurred with the intent of the bill. However, it was felt that the concepts included in the bill could be incorporated into SB 96. SB 96 contains recommendations from the Prescription Drug Access Study Committee final report. That report was based on two years of study and the prime sponsor of SB 96 was the Chairman of the (2001-2002) study committee. The committee agreed that additional oversight on activities concerning lowering prescription drug costs and practices that will ensure access to such prescription drugs, the committee looks forward to working closely with the sponsors of SB 96 to include objectives of HB 425 into that bill.

Reps Weeks Kay

Peth Batch

# MAJORITY
# COMMITTEE REPORT

COMMITTEE: **Health, Human Services and Elderly Affairs**

BILL NUMBER: **HB 425**

TITLE: establishing the prescription drug cost task force.

DATE: February 19, 2003 CONSENT CALENDAR YES ☐ NO ☒

☐ OUGHT TO PASS

☐ OUGHT TO PASS WITH AMENDMENT

☒ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

**STATEMENT OF INTENT**
**(Include Committee Vote)**

Although the committee agrees HB 425 was an important piece of legislation, It was found Inexpedient to Legislate because another piece of legislation (HB 735-FN) will include portions of HB 425, which will address a prescription drug cost task force, and will study issues regarding cost of prescription drugs for New Hampshire citizens.

Vote 11-7.

Rep. Janeen Dalrymple
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

P.L.B.

Health, Human Services and Elderly Affairs

**HB 425,** establishing the prescription drug cost task force. **INEXPEDIENT TO LEGISLATE**

Rep. James R. MacKay for Health, Human Services and Elderly Affairs: The committee concurred with the intent of this bill. However, it was felt that the concepts included in this bill could be incorporated into SB 96. SB 96 contains recommendations from the Prescription Drug Access Study Committee final report. That report was based on two years of study and the prime sponsor of SB 96 was the chairman of the (2000-2002) study committee. The committee agreed that additional oversight on activities concerning lowering prescription drug costs and practices that will ensure access to such prescription drugs. The committee looks forward to working closely with the sponsors of SB 96 to include objectives of HB 425 into that bill. **Vote 15-0.**

# COMMITTEE REPORT

COMMITTEE: **Health, Human Services and Elderly Affairs**

BILL NUMBER: **HB 425**

TITLE: establishing the prescription drug cost task force.

DATE: February 12, 2003 CONSENT CALENDAR YES ☐ NO ☒

☐ OUGHT TO PASS

☐ OUGHT TO PASS WITH AMENDMENT

☒ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

**STATEMENT OF INTENT**
**(Include Committee Vote)**

The committee concurred with the intent of this bill. However, it was felt that the concepts included in this bill could be incorporated into SB 96. SB 96 contains recommendations from the Prescription Drug Access Study Committee final report. That report was based on two years of study and the prime sponsor of SB 96 was the chairman of the (2000-2002) study committee. The committee agreed that additional oversight on activities concerning lowering prescription drug costs and practices that will ensure access to such prescription drugs. The committee looks forward to working closely with the sponsors of SB 96 to include objectives of HB 425 into that bill.

Vote 15-0.

Rep. James R. MacKay
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

Majority Report

HB 425

Although the Committee agrees HB 425 ~~was~~ an important piece of legislation ~~that~~ it was forced ITL because another piece of legislation (HB 735 FN) will include portions of HB 425 which will ~~be~~ address a prescription drug cost task force, ~~time~~ and will study issues regarding cost of prescription drugs for NH citizens

R. Bl.

Need Walrmple Signature

# MINORITY
# COMMITTEE REPORT

COMMITTEE: **Health, Human Services and Elderly Affairs**

BILL NUMBER: **HB 425**

TITLE: establishing the prescription drug cost task force.

DATE: February 19, 2003 CONSENT CALENDAR YES ☐ NO ☐

☒ OUGHT TO PASS

☐ OUGHT TO PASS WITH AMENDMENT

☐ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

**STATEMENT OF INTENT**
**(Include Committee Vote)**

We do not believe that this bill should have been voted Inexpedient to Legislate because of the uncertainty that prescription drug costs will be subject to continued study. The fate of several bills purported to address the topic of prescription drugs are in question.

Vote

Rep. Hilda W. Sokol
FOR THE MINORITY

Original: House Clerk
cc: Committee Bill file

Health, Human Services and Elderly Affairs

**HB 425,** establishing the prescription drug cost task force. **OUGHT TO PASS**

Rep. Hilda W. Sokol for Health, Human Services and Elderly Affairs: We do not believe that this bill should have been voted Inexpedient to Legislate because of the uncertainty that prescription drug costs will be subject to continued study. The fate of se**veral bills purported to address the topic of prescription drugs are in question**.Vote .

HB 425 - Minority : Hilda W Sokol

we do not believe that this should have been voted ITL

Because of the uncertainty that there will be a continuing study on prescription drug costs. ~~it was deemed important to ITL this~~ will be subject to continued study. bill. The fate of several bills purported to address the topic of prescription drugs are in question.

# Minority Report

HB 425 Minority Hilda W Sokol

We do not believe that this bill should have been voted ITL because of the uncertainty that prescription drug costs will be subject to continued study. The fate of several bills purported to address the topic of prescription drugs are in question.

Hilda W Sokol

P.B.