

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

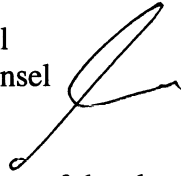
MEMORANDUM

March 31, 2004

SUBJECT: Medical Assistance Coverage for Prescription Drugs (HB 543)

TO: Representative Peggy Wilson
Attn: Linda Miller

FROM: Jean M. Mischel
Legislative Counsel



You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Requires the Department of Health and Social Services to adopt regulations before implementing a preferred drug list or a limitation on medical assistance coverage for a prescription drug. The regulations must include standards for placing a drug on a preferred drug list or otherwise limiting coverage for a drug, an opportunity for public comment, an appeal process, and a provision under which the department will approve unlimited coverage in certain circumstances. Authorizes the department to contract for services to establish a preferred drug list or otherwise limit drug coverage and requires the commissioner to appoint a Prescription Drug Review Advisory Committee. Establishes duties, reimbursement and procedural rules of the committee. Defines certain terms as used in this section.

Section 2. Adds a transitional provision allowing for (1) the continuing implementation of a preferred drug list adopted by the department before the effective date of the bill for up to six months and (2) the continuation of an existing committee to serve as the Prescription Drug Review Advisory Committee under the bill. Prohibits the implementation of a cost containment measure pertaining to drugs used to treat mental illness, as defined in this section, before January 1, 2005.

Section 3. Establishes an immediate effective date for the bill.

JMM:lmb
04-089.lmb