

2964

2011-2012 Regular Sessions

I N S E N A T E

February 3, 2011

Introduced by Sen. KRUGER -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT in relation to creating a temporary state commission to study and evaluate medicaid reimbursement plans and rates for prescription drugs

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

1 Section 1. Legislative findings and declaration. The legislature here-
2 by finds and declares that the health needs of New York state's indigent
3 and elderly residents demand that our medicaid program provide ready
4 access to medication. In structuring the program to most effectively
5 achieve this goal, we must give due consideration to the important role
6 played by pharmacists who choose to participate in the program and the
7 need to provide them the level of monetary compensation for medicaid
8 prescriptions necessary to maintain their businesses.

9 Furthermore, we must analyze the current operation of the medicaid
10 prescription drug reimbursement program with an eye towards its restruc-
11 ture, in order to provide for an improved system that evidences fiscal
12 responsibility, greater efficiency of management and better service to
13 its recipients.

14 Therefore, a need exists for a thorough study and assessment of the
15 medicaid reimbursement plans and rates for prescription drugs used else-
16 where in the country, for the costs involved in operations and manage-
17 ment in the pharmaceutical industry, as well as for a study of any
18 potential cost saving measures related to the medicaid prescription drug
19 reimbursement program, and for the submission to the governor and legis-
20 lature of a report containing the conclusions and recommendations of
21 such study.

22 S 2. A temporary state commission on the medicaid prescription drug
23 reimbursement program is hereby created to study, evaluate and make
24 recommendations concerning medicaid reimbursement plans and rates for

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets
[] is old law to be omitted.

LBD06513-01-1

1 prescription drugs. The subjects of such study and report shall include
2 but not be limited to:

3 (a) medicaid reimbursement formulas in this state and in contiguous
4 and comparable states for prescription drugs;

5 (b) pharmaceutical dispensing fees in this state and in contiguous and
6 comparable states for prescription drugs;

7 (c) average costs involved in operations and management in the pharma-
8 ceutical industry in this state and in contiguous and comparable states,
9 including an examination of the practice of wholesaler - pharmacy
10 discounts for prescription drugs; and average pharmacy operating
11 expenses including but not limited to rent, equipment costs and employee
12 wages;

13 (d) any potential cost-saving measures related to the medicaid
14 prescription drug reimbursement program, including but not limited to
15 the implementation of a statewide computerized identification system for
16 medicaid prescription drug recipients and providers.

17 S 3. The temporary state commission shall consist of 16 members who
18 shall be the following: the commissioner of the department of temporary
19 and disability assistance or his representative; 5 members who shall be
20 appointed by the governor; 3 members who shall be appointed by the
21 majority leader of the senate and 3 members who shall be appointed by
22 the speaker of the assembly; 2 members who shall be appointed by the
23 minority leader of the senate and 2 members who shall be appointed by
24 the minority leader of the assembly; 3 of these members shall be pharma-
25 cists participating in the medicaid program in the state of New York; 2
26 members shall be physicians licensed to practice in the state of New
27 York; and 3 members shall be recipients of medicaid in the state of New
28 York, or their advocates. The governor shall designate the chairperson.
29 Vacancies in the membership of the commission shall be filled in the
30 manner provided for original appointments.

31 S 4. The chairperson shall have the power to set the agenda or action
32 plan for the commission; establish commission workplace and methodol-
33 ogies; review and approve reports and recommendations; assign committee
34 members specific duties, tasks and responsibilities; request the tempo-
35 rary assignment of any state employees he or she deems necessary to
36 carry out specific projects or tasks essential to the commission's
37 purpose; call meetings of commission members and be able to contract out
38 for the assistance of specialists in the private sector.

39 S 5. The commission may meet within and without the state, shall hold
40 public hearings, and shall have all the powers of a legislative commit-
41 tee pursuant to the legislative law.

42 S 6. The members of the commission shall receive no compensation for
43 their services but shall be allowed their actual and necessary expenses
44 incurred in the performance of their duties hereunder.

45 S 7. The commission, with such support of the governor as may be need-
46 ed, may request and shall receive from any department, division, board,
47 bureau, commission or agency of the state or of any political subdivi-
48 sion thereof such assistance and data as will enable it properly to
49 carry out its activities hereunder and effectuate the purposes herein
50 set forth.

51 S 8. The commission shall make a report of its findings and recommen-
52 dations regarding medicaid reimbursement plans, and for an equitable
53 reimbursement rate for pharmacists and medicaid recipients in New York
54 state to the governor and the legislature on or before February 1, 2012.

55 S 9. This act shall take effect immediately.