

2012 -- H 7650

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO HUMAN SERVICES - MEDICAL ASSISTANCE

Introduced By: Representative Arthur J. Corvese

Date Introduced: February 16, 2012

Referred To: House Health, Education & Welfare

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 40-8-24 of the General Laws in Chapter 40-8 entitled "Medical
2 Assistance" is hereby amended to read as follows:

3 **40-8-24. Less expensive alternative medications.** -- (a) For pharmaceutical purchases
4 eligible for reimbursement under the Medicaid state plan, the department shall encourage the
5 substitution of generic drugs which are therapeutically equivalent and interchangeable with
6 specific brand name drugs in accordance with section 21-31-16.1 and related regulations of the
7 department of health, except in the event that a brand name is determined by the director to be
8 less costly to the state than the equivalent generic. Calculation of comparative drug costs shall
9 include consideration of the amount paid by the state to the pharmacy for a drug under the current
10 retail pharmacy reimbursement formula, less any discounts or rebates, including those paid
11 pursuant to federal Medicaid law during the previous calendar quarter, and inclusive of all
12 dispensing fees.

13 (b) The department shall not require a beneficiary to use, prior to using a brand name
14 prescription drug prescribed by a licensed prescriber, any alternative brand name prescription
15 drug or over-the-counter drugs.

16 (c) The department may require a beneficiary to use, prior to using a brand name
17 prescription drug prescribed by a licensed prescriber, a therapeutically equivalent generic drug,
18 unless, pursuant to sections 5-19.1-19, 5-37-18.1 and 21-31-15(b), the prescriber indicates "brand
19 name necessary" on the prescription form, or if the prescriber gives oral directions to that effect

1 [to the dispensing pharmacist.](#)

2 SECTION 2. This act shall take effect on July 1, 2012.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO HUMAN SERVICES - MEDICAL ASSISTANCE

1 This act would prevent the department of human services from requiring a Medicaid
2 beneficiary to use an alternative brand name prescription drug or over-the-counter drug prior to
3 using a brand name prescription drug prescribed by a licensed physician.

4 This act would take effect on July 1, 2012.

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