

SENATE BILL 1176
By Ketron

AN ACT to amend Tennessee Code Annotated, Title 53, Title 56, Title 63, and Title 71, relative to TennCare prescription drugs.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 71, Chapter 5, Part 1, is amended by adding the following new section:

71-5-148.

(a) The bureau of TennCare or its agency shall administer the pharmacy program in a manner which qualifies for rebates from brand-name pharmaceutical manufacturers of at least fifteen and one-tenth percent (15.1%) of the average manufacturer's price or best price rebates, whichever rebate is greater, in accordance with 42 U.S.C. § 1396 r-8.

(b) The bureau may enter into arrangements that require manufacturers of generic drugs prescribed to Medicaid recipients to provide rebates of at least fifteen and one-tenth percent (15.1%) of the average manufacturer price for the manufacturer's generic products.

(c) The bureau may limit reimbursement for a prescription to the multisource generic equivalent drug whenever the generic equivalent net price is cheaper. Patients who insist that a prescription be filled with a brand-name drug when a multisource generic is available, shall be required to pay for those

prescriptions. Exceptions may be made by the bureau for narrow therapeutic index drugs.

(d) The bureau shall implement a state maximum allowable cost list for prescription drugs.

(e) The bureau shall establish a pharmacy and therapeutics committee which shall be the committee that is required by federal law should the bureau choose to design a formulary or should the bureau institute a preferred or non-preferred drug list. The committee shall be appointed by the governor or the governor's designee and shall consist of physicians, pharmacists and those who pay rebates. Each committee member must participate in the TennCare program.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring

it.