

# State of South Dakota

SEVENTY-SECOND SESSION  
LEGISLATIVE ASSEMBLY, 1997

378A0163

## HOUSE BILL NO. 1056

Introduced by: Representatives Eccarius, Belatti, Fischer-Clemens, Monroe, and Windhorst and  
Senators Aker and Whiting

1 FOR AN ACT ENTITLED, An Act to require adoption of a prescription drug formulary for  
2        medicaid.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4        Section 1. That chapter 28-6 be amended by adding thereto a NEW SECTION to read as  
5 follows:

6        By January 1, 1998, the Department of Social Services shall adopt, pursuant to chapter 1-26,  
7 a formulary of prescription drugs to be used in the provision of medical assistance under this  
8 chapter. The pharmacy and therapeutics (P&T) committee shall determine the prescription drugs  
9 to be included in the formulary. The P&T committee shall consist of four members appointed  
10 by the secretary of the department. The committee shall include one registered pharmacist and  
11 three licensed physicians. The persons appointed shall be involved in the day-to-day practice of  
12 medicine or pharmacy and regularly involved in providing care to medicaid recipients.

13        The department shall adopt additional rules pursuant to chapter 1-26 as follows:

14        (1)    The criteria for including prescription drugs in and excluding prescription drugs from  
15               the formulary. The cost of a prescription drug may not be the sole reason for

1 excluding it from the formulary;

2 (2) Procedures for revision of the formulary at least annually;

3 (3) A timely approval process for obtaining a prescription drug not included in the  
4 formulary when its use is medically necessary and no suitable formulary drug exists;

5 and

6 (4) A process for appealing decisions to exclude specific prescription drugs from the  
7 formulary.