

State of South Dakota

SEVENTY-EIGHTH SESSION
LEGISLATIVE ASSEMBLY, 2003

292I0733

HOUSE BILL NO. 1277

Introduced by: Representatives Van Etten, Christensen, Craddock, Hunhoff, Kraus, McCoy, Miles, and Rave and Senators Brown and Sutton (Dan)

1 FOR AN ACT ENTITLED, An Act to create a medicaid pharmaceutical and therapeutics
2 committee for the purpose of developing a preferred drug formulary.

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

4 Section 1. There is created a medicaid pharmaceutical and therapeutics committee within the
5 Department of Social Services for the purpose of developing a preferred drug formulary. The
6 medicaid pharmaceutical and therapeutics committee shall consist of eleven members appointed
7 by the Governor. Five members shall be physicians, licensed under chapter 36-4; five members
8 shall be pharmacists licensed under chapter 36-11; and one member shall be a consumer
9 representative. The members shall be appointed to serve for terms of two years. Members may
10 be appointed to more than one term. The Department of Social Services shall serve as staff for
11 the committee. The Governor shall ensure that at least some of the members of the medicaid
12 pharmaceutical and therapeutics committee represent medicaid participating physicians and
13 pharmacies serving all segments of the medicaid population, and have experience in either
14 developing or practicing under a preferred drug formulary. At least one of the members shall
15 represent the interests of pharmaceutical manufacturers. Committee members shall select a chair



1 and a vice chair each year from the committee membership.

2 Section 2. The committee shall meet at least quarterly and may meet at other times at the
3 discretion of the chair.

4 Section 3. Upon recommendation of the medicaid pharmaceutical and therapeutics
5 committee, the Department of Social Services shall adopt a preferred drug list. To the extent
6 feasible, the committee shall review all drug classes included in the formulary at least every
7 twelve months, and may recommend additions to and deletions from the formulary, such that the
8 formulary provides for medically appropriate drug therapies for medicaid patients and achieves
9 cost savings.

10 Section 4. The Department of Social Services shall publish and disseminate the preferred
11 drug formulary to all medicaid providers in the state.

12 Section 5. The medicaid pharmaceutical and therapeutics committee shall ensure that
13 interested parties, including pharmaceutical manufacturers, have an opportunity to present public
14 testimony to the committee with information or evidence supporting inclusion of a product on
15 the preferred drug list. Such public testimony shall occur prior to any recommendations made
16 by the committee for inclusion or exclusion from the preferred drug list. Upon timely notice, the
17 Department of Social Services shall ensure that any drug that has been approved or had any of
18 its particular uses approved by the United States Food and Drug Administration under a priority
19 review classification will be reviewed by the medicaid pharmaceutical and therapeutics committee
20 at the next regularly scheduled meeting. To the extent possible, upon notice by a manufacturer,
21 the department shall also schedule a product review for any new product at the next regularly
22 scheduled medicaid pharmaceutical and therapeutics committee.

23 Section 6. The medicaid pharmaceutical and therapeutics committee shall develop its
24 preferred drug list recommendations by considering the clinical efficacy, safety, and cost-

1 effectiveness of a product.

2 Section 7. The medicaid pharmaceutical and therapeutics committee may also make
3 recommendations to the Department of Social Services regarding the prior authorization of any
4 prescribed drug covered by medicaid.

5 Section 8. Any medicaid recipient may appeal preferred drug formulary decisions using the
6 fair hearing process administered by the Department of Social Services.