

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 1232

Short Title: Open Formulary.

(Public)

Sponsors: Senator Sherron.

Referred to: State Personel and State Government.

June 8, 1992

A BILL TO BE ENTITLED

1 AN ACT TO REDUCE STATE EXPENDITURES BY PROVIDING THAT UNLESS
2 DRUG MANUFACTURERS AGREE TO REIMBURSE THE TEACHERS' AND
3 STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN FOR
4 INCREASES IN THE WHOLESALE PRICE OF PRESCRIPTION DRUGS, SUCH
5 DRUGS SHALL NOT BE COVERED UNDER THE PLAN.
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7 The General Assembly of North Carolina enacts:

8 Section 1. G.S. 135-40.6(8)a reads as rewritten:

9 "a. Prescription Drugs: The Plan's allowable charges for
10 prescription legend drugs to be used outside of a hospital or
11 skilled nursing facility are ninety percent (90%) of the average
12 wholesale price. A dispensing fee for qualified providers shall
13 be determined by the Executive Administrator and Board of
14 Trustees. The Plan will pay allowable charges for each
15 outpatient prescription drug less a copayment to be paid by each
16 covered individual equal to the provider dispensing fee set by
17 the Executive Administrator and Board of Trustees. A
18 prescription legend drug is defined as an article the label of
19 which, under the Federal Food, Drug, and Cosmetic Act, is
20 required to bear the legend: 'Caution: Federal Law Prohibits
21 Dispensing Without Prescription.' Such articles may not be sold
22 to or purchased by the public without a prescription order.
23 Benefits are provided for insulin even though prescription is not
24 required. Notwithstanding the provisions of this paragraph, the

1 Plan does not pay for any prescription legend drug during a
2 fiscal year unless the manufacturer of that drug has contracted
3 with the Plan to rebate to the Plan any revenues the
4 manufacturer has received, on account of sales of such drugs to
5 persons enrolled in the Plan, because of increases in the
6 wholesale price of that drug that took effect other than at the
7 beginning of the fiscal year."

8 Sec. 2. This act becomes effective July 1, 1992.