

HCS HB 47 -- MISSOURI SENIOR Rx PROGRAM

SPONSOR: Portwood

COMMITTEE ACTION: Voted "do pass" by the Committee on Senior Security by a vote of 18 to 0.

Under current law, pharmaceutical manufacturers participating in the Missouri Senior Rx Program are required to pay a rebate of 15% on all drugs. For drugs sold after July 1, 2003, this substitute sets the rebate at 15% for brand name drugs and 11% for generic drugs. For all drugs sold prior to July 1, 2003, the rebate is 15%.

The substitute contains an emergency clause.

FISCAL NOTE: Estimated Net Savings to Senior Rx Fund of \$5,200,000 in FY 2004, \$6,200,000 in FY 2005, and \$6,500,000 in FY 2006.

PROPOSERS: Supporters say that the bill is necessary to fix the Senior Rx Program. The bill reduces the rebate on generic drugs from 15% to 11%. Without this reduction, generic pharmaceutical companies may choose to stop participating in the Senior Rx Program. This would make it difficult to obtain generic drugs, increasing the cost paid by seniors for prescription medications.

Testifying for the bill were Representative Page; Senior Rx Program; Lieutenant Governor Joe Maxwell; Silver-Haired Legislature; Geneva Pharmaceuticals, Inc.; AARP; Teva Pharmaceuticals, USA; and Missouri Retailers Association.

OPPOSERS: There was no opposition voiced to the committee.

Alice Hurley, Legislative Analyst