

1 HB217  
2 126821-1  
3 By Representative Millican  
4 RFD: State Government  
5 First Read: 10-MAR-11

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8 SYNOPSIS: This bill would require the State Medicaid  
9 Agency to establish a competitive bid process for  
10 generic drug manufacturers to assure that generic  
11 drugs are furnished to Medicaid recipients at a  
12 competitively bid low cost.

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14 A BILL  
15 TO BE ENTITLED  
16 AN ACT

17  
18 Relating to the state Medicaid program; to require  
19 the State Medicaid Agency to establish a competitive bid  
20 process for generic drug manufacturers to assure that generic  
21 drugs are furnished to Medicaid recipients at a competitively  
22 bid low cost.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. This act shall be known as "The Medicaid  
25 Generic Drug Competition and Savings Act."

26 Section 2. For the purposes of this act, the  
27 following words have the following meanings:

1 (1) COMPETITIVE BID PROCESS. A transparent  
2 procurement method in which bids from generic manufacturers  
3 are invited by openly advertising the scope, specifications,  
4 and terms and conditions of proposed contracts as well as the  
5 criteria by which the bids will be evaluated. The objective of  
6 competitive bidding is to establish the lowest price at which  
7 generic drugs may be procured by stimulating competition and  
8 by preventing favoritism.

9 (2) GENERIC DRUGS. Copies of brand name drugs that  
10 are no longer protected by patents. Generics are drugs that  
11 contain the same active ingredients, are identical in  
12 strength, dosage form, and route of administration as the  
13 brand name innovator drug and has the same indications,  
14 dosing, and labeling and provides the same efficacy and safety  
15 profile to patients as the brand name innovator drug.

16 (3) GENERIC MANUFACTURERS. Those manufacturers that  
17 manufacture generic drugs and distribute those generic drugs  
18 in this state.

19 (4) MEDICAID. The Medicaid program, established in  
20 Title XIX of the Social Security Act, which provides medical  
21 benefits to groups of low-income people. The term Medicaid  
22 Agency in this state also refers to the state Medicaid program  
23 managed by the state.

24 Section 3. The State Medicaid Agency shall require  
25 all generic drug manufacturers whose products are to be  
26 provided to Medicaid recipients to compete in a competitive  
27 bid process created by the agency to ensure that the agency is

1 providing Medicaid recipients with quality generic products at  
2 a competitively bid low cost.

3 Section 4. All laws or parts of laws which conflict  
4 with this act are repealed.

5 Section 5. This act shall become effective on the  
6 first day of the third month following its passage and  
7 approval by the Governor, or its otherwise becoming law.