HB 2753 STAFF MEASURE SUMMARY

House Committee On Health Care

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Meeting Dates: 2/21

WHAT THE MEASURE DOES:

Requires pharmacists to substitute a brand-name prescribed medication with a generic medication. Declares emergency; effective on passage.

REVENUE: May have revenue impact, but no statement yet issued.
FISCAL: May have fiscal impact, but no statement yet issued.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Pharmaceutical manufacturers produce and sell brand-name, generic, and biologic prescription drugs. Brand-name drugs receive patents and exclusivities from the federal Food and Drug Administration (FDA). Once a brand-name drug is no longer patent-protected, generic manufacturers may begin producing therapeutically equivalent generic drug products, meaning the drug must have the same active ingredient, strength, and dosage as the brand-name drug. Similar to brand-name drugs, the FDA must also approve a generic drug application to ensure its equivalence to the branded drug before it can be produced. Generic drugs comprise the largest portion of the pharmaceutical market, providing approximately 90 percent of all drugs dispensed to consumers, as they often are a less costly version of a brand-name drug. Biologic manufacturers are distinct from traditional brand and generic manufacturers because they produce drug products made from living organisms, such as antitoxins or vaccines rather than chemicals, and are required to receive approval from the FDA. A biosimilar drug product may be produced following the expiration of a biologic's patent and other data protections. According to the FDA, biologic and biosimilar drug products are the fastest-growing class of therapeutic products in the United States.

Prescription drug substitution or interchanging of drugs, brand-name or generic, involves medical efficacy, equivalence of pharmaceutical products, and price and consumer affordability. States have allowed pharmacists some choice in dispensing or filling a prescription with a lower-price version, i.e., generic substitute, if consumers might save from the substitution and the substituted drug is therapeutically equivalent or the same. For decades, states have used substitution laws in different ways and often involve mandating versus allowing (permissive substitution) pharmacists to dispense generics, as well as patient consent laws requiring consumers to agree to the substitution.

House Bill 2753 requires pharmacists to dispense a generic medication if it is less costly to the consumer than the brand-name medication.