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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2004**

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A N A C T

RELATING TO FOOD AND DRUGS

Introduced By: Representatives Costantino, and Slater

Date Introduced: January 29, 2004

Referred To: House Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. Chapter 40-8 of the General Laws entitled "Medical Assistance" is hereby  
2 amended by adding thereto the following section:

3           **40-8-25. Substitution of less expensive drugs.** – In accordance with section 21-31-16.1,  
4 generic drugs may be substituted for specific, less expensive therapeutically equivalent and  
5 interchangeable brand name drugs and pharmaceuticals. In the case of drugs purchased by the  
6 Medical Assistance Program, when determining if a generic drug is less expensive than  
7 therapeutically equivalent and interchangeable brand name drugs, the director shall consider the  
8 amount paid by the state to the pharmacy for a drug under the current retail pharmacy  
9 reimbursement formula, less any discounts or rebate, and inclusive of all dispensing fees.

10          SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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1           This act would authorize the department of administration to enter into contracts with  
2 manufacturers and suppliers of drugs on behalf of various state departments in order to obtain  
3 discounts, rebates or refunds as permissible under federal law.

4           This act would take effect upon passage.

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