

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7305**

**BILL NUMBER: SB 492**

**NOTE PREPARED: Jan 10, 2011**

**BILL AMENDED:**

**SUBJECT:** Medicaid generic drug reimbursement program.

**FIRST AUTHOR:** Sen. Gard

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** \_\_\_ **GENERAL**  
                                  **DEDICATED**  
                                  **FEDERAL**

**IMPACT:** Pending

**Summary of Legislation:** Requires the drug utilization review board (board) to develop, implement, and maintain a generically equivalent drug product Medicaid reimbursement program (program). Requires the manufacturer of a generically equivalent drug product to submit the cost that it would offer to a Medicaid provider for its drug in order to participate in the Medicaid program, and specifies that the cost may not exceed the maximum allowable rate determined by the office of Medicaid policy and planning. Requires the board to review the submissions and determine a Medicaid reimbursement rate for the therapeutic drug classification. Requires the office of Medicaid policy and planning to reimburse Medicaid providers at the rate determined by the board for the therapeutic drug classification. Establishes a time line for the implementation of the program for certain therapeutic drug classifications.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

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