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SENATE JOINT RESOLUTION NO. 197

Senate Amendments in [ ] — February 10, 2000

Requesting the [~~*Virginia*~~] *Department of Health's Center for Quality Health Care Services and Consumer Protection and the Bureau of Insurance* [~~*within*~~ *of*] *the State Corporation Commission to monitor consumer complaints regarding therapeutic interchange of chemically dissimilar drugs.*

Patrons—Lambert, Bolling and Schrock; Delegates: Brink, DeBoer, Hamilton, Melvin and Morgan

Referred to Committee on Rules

WHEREAS, therapeutic interchange of chemically dissimilar drugs (therapeutic interchange) is defined as the dispensing of a drug, by any person authorized by law to dispense drugs, that is a chemically dissimilar alternative for the drug initially prescribed, and the alternative drug is expected to have the same clinical results and similar safety profile when administered to patients in therapeutically equivalent doses as the drug initially prescribed and is dispensed with the approval of the person who prescribed the initial drug of their lawful designee; and

WHEREAS, therapeutic interchange is performed for clinical reasons such as: (i) the originally prescribed drug may cause an adverse drug interaction with another medication being taken by the patient; (ii) the alternative drug has a better "side effect" profile; or (iii) a patient's past experience with the originally prescribed drug has not been favorable; and

WHEREAS, therapeutic interchange also is conducted for financial reasons such as: (i) the originally prescribed drug is not on the formulary of the patient's health insurance plan; (ii) the patient copayment is higher for the originally prescribed drug than that for an alternative drug; or (iii) discounts or rebates offered by the drug manufacturer; and

WHEREAS, independent pharmacists and some physicians have expressed concerns regarding the appropriateness of therapeutic interchange conducted for financial reasons and the potential for adverse effects on patients; and

WHEREAS, pharmacy benefit managers, health plans, chain drug stores, health system pharmacists, hospitals and business representatives argue that there is little or no evidence that therapeutic interchange is harmful to patients and that the practice generates significant cost savings; and

WHEREAS, a recent study of the practice of therapeutic interchange indicates that only about three percent of prescriptions written in Virginia involve therapeutic interchange; and

WHEREAS, the U.S. Food and Drug Administration's "MedWatch" program has received few reports of adverse events associated with therapeutic interchange; and

WHEREAS, independent pharmacists and some physicians continue to have concerns regarding the practice of therapeutic interchange when conducted for financial rasons; and

WHEREAS, statistics on the number of consumer complaints regarding therapeutic interchange would provide useful information in determining whether this practice represents a growing concern among Virginians and whether further regulation of therapeutic interchange is warranted; and

WHEREAS, the Virginia Department of Health's Center for Quality Health Care Services and Consumer Protection receives and responds to consumer complaints regarding the quality of managed care health insurance plans; and

WHEREAS, the Bureau of Insurance receives and responds to complaints in connection with the contractual issues involving managed care plans; and

WHEREAS, these two state entities coordinate their responsibilities and activities to respond to Virginia consumers' concerns about various aspects of managed care health insurance plans; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the [~~Virginia~~] Department of Health's Center for Quality Health Care Services and the Bureau of Insurance [~~within~~ of] the State Corporation Commission be requested to [monitor consumer complaints regarding therapeutic exchange of chemically dissimilar drugs. In conducting the study, the Department and Bureau shall] : (i) record and monitor all consumer complaints regarding the practice of therapeutic interchange received during a period of two years beginning July 1, 2000, and ending June 30, 2002; (ii) classify the consumer complaints that are received by the specific aspect of therapeutic interchange that gave rise to the complaint; and (iii) report their findings to the chairmen of the Senate Committee on Education and Health, the House Committee on Health, Welfare and Institutions, and the Joint Commission on Health Care.

The Virginia Department of Health and the State Corporation Commission's Bureau of Insurance shall submit their findings to the Chairmen of the Senate Committee on Education and Health, and the

House Committee on Health, Welfare and Institutions, and the Joint Commission on Health Care by August 30, 2002, and to the Governor and 2003 Session of the General Assembly as provided in the procedures of the Division of Legislative automated Systems for the processing of legislative documents.