

**STATEMENT OF DOUGLAS T. MARGREITER, CHIEF OF PHARMACY SECTION, COLORADO DEPARTMENT OF SOCIAL SERVICES, ACCOMPANIED BY DONALD PEEBLES, MEMBER, COLORADO MEDICAL ADVISORY BOARD**

Mr. MARGREITER. Mr. Chairman, members of the committee, I am pleased to be here today, and to have the opportunity to share with the committee the experiences we in the State of Colorado have had in administering the State's title XIX medicaid drug program.

Briefly, my presentation will highlight the processes used to develop the program, and the policies that evolved as a result of the process.

Like most States, Colorado enacted enabling legislation to implement the title XIX program. The enabling statute created a 15 person Medical Advisory Council, to be appointed by the Governor. The membership of this council specified by law provided representation on the council from the following organizations.<sup>1</sup> As the name implies, the council's function was to advise the Department on issues and problems which occurred in administering the medicaid program. The same enabling legislation mandated that as to drugs for which payment is made, rules and regulations for payment thereof shall include but need not be limited to the use of generic names on commonly used drugs.

**PHARMACY COMMITTEES**

Early in 1969, the Medical Advisory Council created, by appointment, special committees composed of pharmacists and physicians to deal with matters relating to the administration and management of the medicaid drug program. Perhaps the most singular important function of these committees was the establishment of a communication link between the Department of Social Services—Medical Division, and the physicians and pharmacists of our State.

The main subcommittee to the Medical Advisory Council is the Pharmacy Advisory Committee. Generally stated, this committee deals with specific policy questions or specific problems relating to the drug program.

Two working committees, both very important, were established to deal with specific areas in the administration of our drug program.

The Color X Drug Formulary Committee was established. This committee's function and responsibilities were to develop the drug formulary. It meets monthly to deliberate on what drugs shall be included in the drug formulary, which drugs should be restricted, what pricing information is recommended, and what maximum allowable price should be reimbursed whenever the drug is available generically.

The other committee is the Drug Utilization Review Advisory Committee. This committee meets monthly, and reviews individual cases developed by the pharmacy section, and recommends to the Department corrective action concerning drug utilization review. This committee reviews those cases of overutilization, corresponds with physicians, pharmacists, and county caseworkers, in an attempt to curtail drug overutilization and abuse.

<sup>1</sup> See Addendum for Medical Advisory Council listing, page 12084.