

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

652E0482

SENATE BILL NO. 196

Introduced by: Senators Hutmacher, Koetzle, Moore, Reedy, Sutton (Dan), and Volesky
and Representatives Olson (Mel), Bartling, Bradford, Burg, Davis, Elliott,
Flowers, Glenski, Hargens, Hundstad, Lange, Nesselhuf, Peterson (Jim),
and Sigdestad

1 FOR AN ACT ENTITLED, An Act to provide for a negotiated price for prescription drugs sold
2 in the state.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. The secretary of health shall administer a system designed to enable the citizens
5 of the state to purchase prescription drugs at the lowest possible price, to ensure access to
6 prescription drugs, and to support state pharmacies. Any manufacturer of prescription drugs
7 offering its prescription drugs for sale in this state shall offer its prescription drugs in this state
8 based on the terms and conditions negotiated with the secretary. The terms and conditions shall
9 be based on the total estimated amount of prescription drugs sold in the state. No manufacturer
10 may offer prescription drugs in this state except pursuant to the negotiated price.

11 Section 2. Any manufacturer of prescription drugs shall offer its prescription drugs to any
12 pharmacy licensed in the state at the negotiated price.

13 Section 3. No pharmacy may resell any prescription drug at a price that is more than ten
14 percent above the negotiated price for that drug. Each drug that is offered for sale at more than

1 ten percent of the negotiated price is a violation of this section. A pharmacy that violates this
2 section is subject to a civil penalty not to exceed ten thousand dollars for each violation.

3 Section 4. Each pharmacy shall record the quantity and price of each prescription drug it sells
4 and keep such records for three years. These records are subject to inspection by the Department
5 of Health during normal business hours.