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State of Minnesota
HOUSE OF REPRESENTATIVES
First Division Engrossment

NINETY-FIRST SESSION

H. F. No. 1523

02/21/2019 Authored by Cantrell, Liebling, Mann, Morrison, Olson and others
 The bill was read for the first time and referred to the Committee on Health and Human Services Policy
 02/25/2019 By motion, recalled and re-referred to the Committee on Commerce
 03/04/2019 Adoption of Report: Re-referred to the Committee on Health and Human Services Policy
 03/18/2019 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

Division Action

03/05/2020 *Referred by Chair to the Health and Human Services Finance Division*
Division action, to adopt as amended and return to the Committee on Ways and Means

1.1 A bill for an act
 1.2 relating to human services; directing commissioner of human services to establish
 1.3 a prescription drug purchasing program; specifying program authority and eligibility
 1.4 requirements; proposing coding for new law in Minnesota Statutes, chapter 256B.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **[256B.86] PRESCRIPTION DRUG PURCHASING PROGRAM.**

1.7 Subdivision 1. Establishment of program. (a) The commissioner of human services
 1.8 shall administer and oversee a Minnesota prescription drug purchasing program for
 1.9 prescription drugs provided to program participants.

1.10 (b) For purposes of this section, "program participants" means medical assistance and
 1.11 MinnesotaCare enrollees served under the fee-for-service and managed care delivery systems.

1.12 Subd. 2. Duties of commissioner. The commissioner, through the Minnesota prescription
 1.13 drug purchasing program, shall:

1.14 (1) make prescription drugs available at the lowest possible cost to program participants;

1.15 (2) promote health through the purchase and provision of discounted prescription drugs
 1.16 and coordination of comprehensive prescription benefit services for program participants;

1.17 (3) maintain a list of prescription drugs recommended as the most effective prescription
 1.18 drugs available at the best possible prices;

1.19 (4) administer prescription drug benefits for medical assistance and MinnesotaCare; and

1.20 (5) adjudicate pharmacy claims and transmit program prices and other information to
 1.21 pharmacies.

2.1 Subd. 3. **Program authority.** (a) To accomplish the purpose of the Minnesota prescription
2.2 drug purchasing program, the commissioner, in consultation with the Formulary Committee
2.3 established under section 256B.0625, subdivision 13c, has the authority to:

2.4 (1) adopt or develop a preferred drug list;

2.5 (2) engage in price negotiations with prescription drug manufacturers, wholesalers, or
2.6 group purchasing organizations to obtain price discounts and rebates for prescription drugs
2.7 for program participants; and

2.8 (3) develop and manage a drug formulary for the program.

2.9 (b) The commissioner may contract with one or more entities to perform any of the
2.10 functions described in paragraph (a).

2.11 Subd. 4. **Pharmacies.** The commissioner shall set the terms and conditions for pharmacies
2.12 to participate in the program. All pharmacies participating as medical assistance providers,
2.13 and any other pharmacy licensed under chapter 151 willing to accept the terms and
2.14 conditions, shall be enrolled in the program.

2.15 Subd. 5. **Federal approval.** The commissioner shall seek any necessary federal approvals
2.16 to implement this section.

2.17 **EFFECTIVE DATE.** This section is effective January 1, 2023, or upon federal approval,
2.18 whichever is later. The commissioner of human services shall notify the revisor of statutes
2.19 when federal approval is obtained.

2.20 Sec. 2. **EXPANSION OF PRESCRIPTION DRUG PURCHASING PROGRAM.**

2.21 The commissioner of human services, in consultation with the commissioners of
2.22 commerce and health, shall develop recommendations for expanding the prescription drug
2.23 purchasing program established under Minnesota Statutes, section 256B.86, to include
2.24 enrollees of health plan companies that have contracted with the commissioner to participate
2.25 in the program. The recommendations must address the process and terms by which the
2.26 commissioner would contract with health plan companies to administer prescription drug
2.27 benefits and develop and manage a drug formulary. The commissioner shall present
2.28 recommendations to the chairs and ranking minority members of the legislative committees
2.29 with jurisdiction over commerce and health and human services policy and finance by
2.30 December 15, 2023.