

Subject Prescription drug purchasing program; Medicare antikickback provisions

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Overview

This bill directs the Commissioner of Human Services to develop and administer a prescription drug purchasing program for MA and MinnesotaCare enrollees, and for enrollees of participating health plan companies. The bill also provides an exemption from federal Medicare antikickback provisions for drugs administered through infusion, and related services and supplies.

Summary

Section	Description
1	<p>Restrictions.</p> <p>Amends § 62J.23, subd. 2. Includes in the definition of prescription drug, for purposes of an exemption from the federal Medicare antikickback provisions for certain prescription drug discounts, price reductions, and free or sample supplies, drugs that are administered through infusion, and related services and supplies.</p>
2	<p>Prescription drug purchasing program.</p> <p>Adds § 256B.86.</p> <p>Subd. 1. Definitions. Defines the following terms: health plan company, MNsure, and program participants. “Program participants” are defined to mean MA and MinnesotaCare enrollees under fee-for-service and managed care, and enrollees purchasing individual coverage from a health plan company participating in the Minnesota prescription drug purchasing program.</p> <p>Subd. 2. Establishment of program. Directs the Commissioner of Human Services to administer and oversee a Minnesota prescription drug purchasing program for prescription drugs provided to program participants.</p> <p>Subd. 3. Duties of commissioner. Requires the commissioner, through the program, to:</p> <p>(1) make prescription drugs available at the lowest possible cost to program participants;</p>

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	<p>(2) promote health through the purchase and provision of discounted drugs and coordination of comprehensive drug benefit services;</p> <p>(3) maintain a list of prescription drugs recommended as the most effective prescription drugs available at the best possible prices;</p> <p>(4) administer prescription drug benefits for MA and MinnesotaCare, and health plan companies that contract with the commissioner to participate in the program; and</p> <p>(5) adjudicate pharmacy claims and transmit program prices and other information to pharmacies.</p> <p>Subd. 4. Program authority. (a) Provides that the commissioner, in consultation with the formulary committee, has the authority to:</p> <p>(1) adopt or develop a preferred drug list;</p> <p>(2) engage in price negotiations with manufacturers, wholesalers, or group purchasing organizations to obtain price discounts and rebates for prescription drugs; and</p> <p>(3) develop a drug formulary for MinnesotaCare and the individual market.</p> <p>Allows the commissioner to contract with one or more entities to perform these functions.</p> <p>Subd. 5. Pharmacies. Requires the commissioner to set terms and conditions for pharmacies to participate in the program. All pharmacies participating in MA, and any other licensed pharmacy willing to accept the terms and conditions, shall be enrolled in the program.</p> <p>Subd. 6. Federal approval. Directs the commissioner to seek any necessary federal approvals to implement this section.</p> <p>States that this section is effective January 1, 2020, or upon federal approval, whichever is later.</p>



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