

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 1734

(SENATE AUTHORS: HOFFMAN, Abeler and Hayden)

DATE
02/25/2019

D-PG
534

Introduction and first reading
Referred to Health and Human Services Finance and Policy

OFFICIAL STATUS

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. **Definitions.** (a) For purposes of this section, the following definitions
1.8 apply.

1.9 (b) "Health plan company" has the meaning given in section 62Q.01, subdivision 4.

1.10 (c) "MNsure" means the state health insurance exchange established under chapter 62V.

1.11 (d) "Program participants" means:

1.12 (1) medical assistance and MinnesotaCare enrollees served under the fee-for-service
1.13 and managed care delivery systems; and

1.14 (2) enrollees who have purchased individual health coverage through MNsure, or off
1.15 MNsure, from a health plan company that has contracted with the commissioner to participate
1.16 in the Minnesota prescription drug purchasing program.

1.17 Subd. 2. **Establishment of program.** The commissioner of human services shall
1.18 administer and oversee a Minnesota prescription drug purchasing program for prescription
1.19 drugs provided to program participants.

1.20 Subd. 3. **Duties of commissioner.** The commissioner, through the Minnesota prescription
1.21 drug purchasing program, shall:

- 2.1 (1) make prescription drugs available at the lowest possible cost to program participants;
- 2.2 (2) promote health through the purchase and provision of discounted prescription drugs
- 2.3 and coordination of comprehensive prescription benefit services for program participants;
- 2.4 (3) maintain a list of prescription drugs recommended as the most effective prescription
- 2.5 drugs available at the best possible prices;
- 2.6 (4) administer prescription drug benefits for medical assistance and MinnesotaCare, and
- 2.7 administer prescription drug benefits for health plan companies that contract with the
- 2.8 commissioner to participate in the purchasing program; and
- 2.9 (5) adjudicate pharmacy claims and transmit program prices and other information to
- 2.10 pharmacies.
- 2.11 Subd. 4. **Program authority.** (a) In order to accomplish the purpose of the Minnesota
- 2.12 prescription drug purchasing program, the commissioner, in consultation with the formulary
- 2.13 committee established under section 256B.0625, subdivision 13c, has the authority to:
- 2.14 (1) adopt or develop a preferred drug list;
- 2.15 (2) engage in price negotiations with prescription drug manufacturers, wholesalers, or
- 2.16 group purchasing organizations to obtain price discounts and rebates for prescription drugs
- 2.17 for program participants; and
- 2.18 (3) develop a drug formulary for MinnesotaCare and the individual insurance market.
- 2.19 (b) The commissioner may contract with one or more entities to perform any of the
- 2.20 functions described in paragraph (a).
- 2.21 Subd. 5. **Pharmacies.** The commissioner shall set the terms and conditions for pharmacies
- 2.22 to participate in the program. All pharmacies participating as medical assistance providers,
- 2.23 and any other pharmacy licensed under chapter 151 willing to accept the terms and
- 2.24 conditions, shall be enrolled in the program.
- 2.25 Subd. 6. **Federal approval.** The commissioner shall seek any necessary federal approvals
- 2.26 to implement this section.
- 2.27 **EFFECTIVE DATE.** This section is effective January 1, 2020, or upon federal approval,
- 2.28 whichever is later. The commissioner of human services shall notify the revisor of statutes
- 2.29 when federal approval is obtained.