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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1483

02/22/2021 Authored by Kiel
The bill was read for the first time and referred to the Committee on Health Finance and Policy

1.1 A bill for an act
1.2 relating to health care; restricting medical assistance pharmacy providers to in-state
1.3 pharmacies; amending Minnesota Statutes 2020, sections 256B.0625, by adding
1.4 a subdivision; 256B.69, subdivision 6d.

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

1.6 Section 1. Minnesota Statutes 2020, section 256B.0625, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 13k. Eligible providers. (a) To be eligible to dispense prescription drugs under
1.9 this section as an enrolled dispensing provider, the dispensing provider must be a:

1.10 (1) pharmacy located within the state that is licensed by the Board of Pharmacy under
1.11 chapter 151;

1.12 (2) physician located in a local trade area where there is no medical assistance enrolled
1.13 pharmacy; or

1.14 (3) physician or advanced registered nurse practitioner employed by or under contract
1.15 with a community health board for communicable disease control.

1.16 (b) A licensed out-of-state pharmacy may be enrolled as a dispensing provider under
1.17 paragraph (a) if the pharmacy is:

1.18 (1) a retail pharmacy located within 50 miles of the Minnesota border that serves walk-in
1.19 medical assistance enrollees and whose walk-in customers represent at least 75 percent of
1.20 the pharmacy's prescription volume;

1.21 (2) a retail pharmacy serving foster children enrolled in medical assistance and living
1.22 outside of Minnesota;

2.1 (3) serving enrollees receiving preapproved organ transplants who require medication  
2.2 during after-care while residing outside of Minnesota; or

2.3 (4) providing products with limited or exclusive distribution channels for which there  
2.4 is no potential dispensing provider located within the state.

2.5 Sec. 2. Minnesota Statutes 2020, section 256B.69, subdivision 6d, is amended to read:

2.6 Subd. 6d. **Prescription drugs.** (a) The commissioner may exclude or modify coverage  
2.7 for prescription drugs from the prepaid managed care contracts entered into under this  
2.8 section in order to increase savings to the state by collecting additional prescription drug  
2.9 rebates. The contracts must maintain incentives for the managed care plan to manage drug  
2.10 costs and utilization and may require that the managed care plans maintain an open drug  
2.11 formulary. In order to manage drug costs and utilization, the contracts may authorize the  
2.12 managed care plans to use preferred drug lists and prior authorization. This subdivision is  
2.13 contingent on federal approval of the managed care contract changes and the collection of  
2.14 additional prescription drug rebates.

2.15 (b) Managed care plans and county-based purchasing plans or the plan's subcontractor  
2.16 if the plan subcontracts with a third party to administer pharmacy services, including a  
2.17 pharmacy benefit manager, must comply with section 256B.0625, subdivision 13k, for  
2.18 purposes of contracting with dispensing providers to provide pharmacy services to medical  
2.19 assistance and MinnesotaCare enrollees.