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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2395

03/02/2023 Authored by Bierman
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; allowing the commissioner of human services to enter into
1.3 value-based purchasing arrangements with drug manufacturers; amending
1.4 Minnesota Statutes 2022, section 256B.0625, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 13k. Value-based purchasing arrangements. (a) The commissioner may enter
1.9 into a value-based purchasing arrangement for the medical assistance and MinnesotaCare
1.10 programs with a drug manufacturer based on agreed upon metrics to which the commissioner
1.11 and the manufacturer agree in writing. The commissioner may enter into a contract with a
1.12 vendor for the purpose of participating in a value-based purchasing arrangement. A
1.13 value-based purchasing arrangement may include a rebate, a discount, a price reduction,
1.14 risk-sharing, a reimbursement, a guarantee, shared savings payments, withholds, a bonus,
1.15 or any other thing of value.

1.16 (b) For covered outpatient drugs as defined in section 1927 of the federal Social Security
1.17 Act, a value-based purchasing arrangement must be executed in a supplemental agreement
1.18 in addition to the Medicaid National Drug Rebate Agreement.

1.19 (c) Nothing in this subdivision requires a drug manufacturer or the commissioner to
1.20 enter into an arrangement as described in paragraph (a).

1.21 (d) Nothing in this subdivision shall be construed to alter or modify medical assistance
1.22 coverage requirements or rebates for covered outpatient drugs under section 1927 of the
1.23 federal Social Security Act.

2.1 (e) If the commissioner determines that a state plan amendment is necessary to implement
2.2 a value-based purchasing arrangement, the commissioner shall submit the amendment to
2.3 the Centers for Medicare and Medicaid Services and delay implementation until the
2.4 amendment is approved. The commissioner may request proposals from drug manufacturers
2.5 for value-based purchasing arrangements while a state plan amendment is being reviewed
2.6 by the Centers for Medicare and Medicaid Services.

2.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.