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ARTICLE 1

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PRESCRIPTION DRUG AFFORDABILITY ADVISORY COUNCIL

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Section 1. Minnesota Statutes 2024, section 62J.89, subdivision 1, is amended to read:

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Subdivision 1. **Definition.** For purposes of this section, "conflict of interest" means a financial or personal association that has the potential to bias or have the appearance of biasing a person's decisions in matters related to the board, ~~the advisory council,~~ or in the conduct of the board's ~~or council's~~ activities. A conflict of interest includes any instance in which a person, a person's immediate family member, including a spouse, parent, child, or other legal dependent, or an in-law of any of the preceding individuals, has received or could receive a direct or indirect financial benefit of any amount deriving from the result or findings of a decision or determination of the board. For purposes of this section, a financial benefit includes honoraria, fees, stock, the value of the member's, immediate family member's, or in-law's stock holdings, and any direct financial benefit deriving from the finding of a review conducted under sections 62J.85 to 62J.95. Ownership of securities is not a conflict of interest if the securities are: (1) part of a diversified mutual or exchange traded fund; or (2) in a tax-deferred or tax-exempt retirement account that is administered by an independent trustee.

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Sec. 2. Minnesota Statutes 2024, section 62J.89, subdivision 2, is amended to read:

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Subd. 2. **General.** (a) Prior to the acceptance of an appointment or employment, or prior to entering into a contractual agreement, a board ~~or advisory council~~ member, board staff member, or third-party contractor must disclose to the appointing authority or the board any conflicts of interest. The information disclosed must include the type, nature, and magnitude of the interests involved.

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(b) A board member, board staff member, or third-party contractor with a conflict of interest with regard to any prescription drug product under review must recuse themselves from any discussion, review, decision, or determination made by the board relating to the prescription drug product.

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(c) Any conflict of interest must be disclosed in advance of the first meeting after the conflict is identified or within five days after the conflict is identified, whichever is earlier.

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Sec. 3. Minnesota Statutes 2024, section 62J.90, subdivision 2, is amended to read:

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Subd. 2. **Identification of certain prescription drug products.** (a) The board, ~~in consultation with the advisory council, shall~~ must identify selected prescription drug products based on the following criteria:

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(1) brand name drugs or biologics for which the WAC increases by more than 15 percent or by more than \$3,000 during any 12-month period or course of treatment if less than 12 months, after adjusting for changes in the consumer price index (CPI);

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- 3.8 (2) brand name drugs or biologics with a WAC of \$60,000 or more per calendar year
3.9 or per course of treatment;
- 3.10 (3) biosimilar drugs that have a WAC that is not at least 20 percent lower than the
3.11 referenced brand name biologic at the time the biosimilar is introduced; and
- 3.12 (4) generic drugs for which the WAC:
3.13 (i) is \$100 or more, after adjusting for changes in the CPI, for:
3.14 (A) a 30-day supply;
3.15 (B) a course of treatment lasting less than 30 days; or
3.16 (C) one unit of the drug, if the labeling approved by the Food and Drug Administration
3.17 does not recommend a finite dosage; and
- 3.18 (ii) increased by 200 percent or more during the immediate preceding 12-month period,
3.19 as determined by the difference between the resulting WAC and the average WAC reported
3.20 over the preceding 12 months, after adjusting for changes in the CPI.
- 3.21 The board is not required to identify all prescription drug products that meet the criteria in
3.22 this paragraph.
- 3.23 (b) The board, in consultation with ~~the advisory council~~ and the commissioner of health,
3.24 may identify prescription drug products not described in paragraph (a) that may impose
3.25 costs that create significant affordability challenges for the state health care system or for
3.26 patients, including but not limited to drugs to address public health emergencies.
- 3.27 (c) The board shall make available to the public the names and related price information
3.28 of the prescription drug products identified under this subdivision, with the exception of
3.29 information determined by the board to be proprietary under the standards developed by
3.30 the board under section 62J.91, subdivision 3, and information provided by the commissioner
3.31 of health classified as not public data under section 13.02, subdivision 8a, or as trade secret
3.32 information under section 13.37, subdivision 1, paragraph (b), or as trade secret information
4.1 under the Defend Trade Secrets Act of 2016, United States Code, title 18, section 1836, as
4.2 amended.
- 4.3 **Sec. 4. REPEALER.**
- 4.4 Minnesota Statutes 2024, sections 62J.86, subdivision 2; and 62J.88, are repealed.