

1 A bill to be entitled

2 An act relating to Medicaid pharmacy benefit savings;
3 creating s. 409.93, F.S.; providing a short title;
4 providing legislative findings; requiring the Agency
5 for Health Care Administration to select a single
6 pharmacy benefit administrator through a competitive
7 procurement process to administer all pharmacy
8 benefits for Medicaid recipients enrolled in managed
9 care plans; requiring the agency to complete the
10 procurement process and select the pharmacy benefit
11 administrator by a specified date; prohibiting managed
12 care organizations from providing pharmacy benefits
13 for their enrolled members; requiring the agency to
14 make certain considerations during the procurement
15 process; providing contract requirements; requiring
16 the agency to calculate an amount equal to a specified
17 percentage of each managed care organization's net
18 underwriting gain for a certain contract year;
19 requiring the agency to reduce a managed care
20 organization's contract term payment by such amount to
21 be used for specified purposes; providing an effective
22 date.

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24 Be It Enacted by the Legislature of the State of Florida:
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26 Section 1. Section 409.93, Florida Statutes, is created to
27 read:

28 409.93 Medicaid Pharmacy Benefit Savings Optimization
29 Act.—

30 (1) This section may be cited as the "Medicaid Pharmacy
31 Benefit Savings Optimization Act."

32 (2) The Legislature finds that:

33 (a) The Agency for Health Care Administration administers
34 Medicaid benefits for the state's low-income beneficiaries and
35 aged and disabled persons as well as children's health insurance
36 programs for uninsured children in low-income families.

37 (b) The agency provides certain Medicaid benefits to the
38 residents of this state directly through its fee-for-service
39 program or indirectly through managed care organizations.

40 (c) Pharmacy benefits for Medicaid patients in this state
41 are generally provided using managed care organizations.

42 (d) Despite efforts to reduce the costs of prescription
43 drugs, the state Medicaid program continues to experience
44 substantial increases in prescription drug costs each year.

45 (e) Several states have passed legislation removing
46 prescription drug benefits from their Medicaid managed care
47 delivery systems and providing all pharmacy benefits through
48 their existing fee-for-service programs or using a single
49 pharmacy benefit administrator, resulting in savings of hundreds
50 of millions of dollars for those states.

51 (f) Moving pharmacy benefits from the Medicaid managed
52 care delivery system and providing those benefits through a
53 single pharmacy benefit administrator using the state's existing
54 Medicaid fee-for-service program could result in potentially
55 significant savings for the state.

56 (3) (a) The agency shall select a single pharmacy benefit
57 administrator through a competitive procurement process to
58 administer all pharmacy benefits for Medicaid recipients
59 enrolled in managed care plans.

60 (b) By October 1, 2021, the agency shall complete the
61 procurement process and select a single pharmacy benefit
62 administrator. Upon such selection, managed care organizations
63 may no longer provide pharmacy benefits for their enrolled
64 members. As part of the procurement process, the agency shall
65 consider pricing, quality, accessibility, and any potential
66 conflicts of interest the pharmacy benefit administrator may
67 have with the agency, a managed care plan, or a pharmacy
68 participating in the state's Medicaid program. The contract with
69 the pharmacy benefit administrator must:

70 1. Establish the pharmacy benefit administrator's
71 fiduciary duty to the state.

72 2. Require the use of pass-through pricing by the pharmacy
73 benefit administrator.

74 3. Require the pharmacy benefit administrator to use the
75 preferred drug list, reimbursement methodologies, and dispensing

76 fees established by the agency for its existing Medicaid fee-
77 for-service program.

78 4. Prohibit the pharmacy benefit administrator from
79 requiring a Medicaid recipient to use a mail order pharmacy.

80 5. Prohibit the pharmacy benefit administrator from
81 excluding a pharmacy that is willing to accept reasonable terms
82 and conditions established by the pharmacy benefit administrator
83 to participate in the plan network.

84 (4) The agency shall calculate an amount equal to 20
85 percent of each managed care organization's net underwriting
86 gain for the July 1, 2020, through June 30, 2021, contract year,
87 as determined by the agency's Medicaid actuary. The agency shall
88 reduce each managed care organization's subsequent contract term
89 payment by such amount and use this amount to provide pharmacy
90 benefits for managed care organization members, including any
91 costs incurred to implement this act.

92 Section 2. This act shall take effect upon becoming a law.