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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 1093

02/17/2025 Authored by Liebling and Bierman The bill was read for the first time and referred to the Committee on Human Services Finance and Policy

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; requiring recommendations; proposing coding for new law in
1.5 Minnesota Statutes, chapter 256B.

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

1.7 Section 1. 256B.86 PRESCRIPTION DRUG PURCHASING PROGRAM.

1.8 Subdivision 1. Establishment of program. (a) The commissioner of human services
1.9 shall administer and oversee a prescription drug purchasing program for prescription drugs
1.10 provided to program participants.

1.11 (b) For purposes of this section, "program participants" means medical assistance and
1.12 MinnesotaCare enrollees served under the fee-for-service and managed care delivery systems.

1.13 Subd. 2. Duties of commissioner. The commissioner, through the prescription drug
1.14 purchasing program, shall:

1.15 (1) obtain prescription drugs for program participants at the lowest possible prices;

1.16 (2) promote health through the purchase and provision of discounted prescription drugs
1.17 and coordination of comprehensive prescription benefit services for program participants;

1.18 (3) maintain a list of prescription drugs recommended as the most effective prescription
1.19 drugs available at the best possible prices;

1.20 (4) administer prescription drug benefits for medical assistance and MinnesotaCare; and

1.21 (5) adjudicate pharmacy claims and transmit program prices and other information to
1.22 pharmacies.

2.1 Subd. 3. **Program authority.** (a) To accomplish the purposes of the prescription drug
 2.2 purchasing program, the commissioner, in consultation with the Formulary Committee
 2.3 established under section 256B.0625, subdivision 13c, has the authority to:

2.4 (1) adopt or develop a preferred drug list;

2.5 (2) engage in price negotiations with prescription drug manufacturers, wholesalers, or
 2.6 group purchasing organizations to obtain price discounts and rebates for prescription drugs
 2.7 for program participants; and

2.8 (3) develop and manage a drug formulary for the program.

2.9 (b) The commissioner may contract with one or more entities to perform any of the
 2.10 functions described in paragraph (a) but must not shift risk to a nongovernmental entity
 2.11 without specific authorization by law.

2.12 Subd. 4. **Pharmacies.** The commissioner shall set the terms and conditions for pharmacies
 2.13 to participate in the program. The commissioner shall enroll all pharmacies participating
 2.14 as medical assistance providers, and any other pharmacy licensed under chapter 151 willing
 2.15 to accept the terms and conditions, in the program.

2.16 Subd. 5. **Federal approval.** The commissioner shall seek any necessary federal approvals
 2.17 to implement this section.

2.18 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
 2.19 whichever is later, except that subdivision 5 is effective the day following final enactment.
 2.20 The commissioner of human services shall notify the revisor of statutes when federal approval
 2.21 is obtained.

2.22 Sec. 2. **EXPANSION OF PRESCRIPTION DRUG PURCHASING PROGRAM.**

2.23 The commissioner of human services, in consultation with the commissioners of
 2.24 commerce and health, shall develop recommendations for expanding the prescription drug
 2.25 purchasing program established under Minnesota Statutes, section 256B.86, to include
 2.26 enrollees of health plan companies that have contracted with the commissioner to participate
 2.27 in the program. The recommendations must address the process and terms by which the
 2.28 commissioner would contract with health plan companies to administer prescription drug
 2.29 benefits and develop and manage a drug formulary. The commissioner shall present
 2.30 recommendations to the chairs and ranking minority members of the legislative committees
 2.31 with jurisdiction over commerce and health and human services finance and policy by
 2.32 December 15, 2027.