

**SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION**

S.F. No. 1738

(SENATE AUTHORS: MANN)

DATE
02/20/2025

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Introduction and first reading
Referred to Health and Human Services

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to human services; establishing a prescription drug purchasing program;
1.3 specifying program authority and eligibility requirements; requiring a report;
1.4 proposing coding for new law in Minnesota Statutes, chapter 256B.

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

1.6 Section 1. **[256B.86] PRESCRIPTION DRUG PURCHASING PROGRAM.**

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

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

1.12 Subd. 2. **Duties of commissioner.** The commissioner must:

1.13 (1) make prescription drugs available at the lowest possible cost to program participants;

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

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

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

1.19 (5) adjudicate pharmacy claims and transmit program prices and other information to
1.20 pharmacies.

2.1 Subd. 3. **Program authority.** (a) The commissioner, in consultation with the Formulary
2.2 Committee established under section 256B.0625, subdivision 13c, is authorized to:

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

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

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

2.8 (b) The commissioner may contract with one or more entities to assist with any of the
2.9 functions described in paragraph (a) only for plan years 2026, 2027, and 2028. The
2.10 commissioner must make the final determinations for any function described in paragraph
2.11 (a).

2.12 Subd. 4. **Pharmacies.** The commissioner must set the terms and conditions for pharmacies
2.13 to participate in the program. The commissioner must 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 must seek any necessary federal approvals
2.17 to implement this section.

2.18 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,
2.19 whichever is later. The commissioner of human services must notify the revisor of statutes
2.20 when federal approval is obtained.

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

2.22 The commissioner of human services, in consultation with the commissioners of
2.23 commerce and health, must develop recommendations for expanding the prescription drug
2.24 purchasing program established under Minnesota Statutes, section 256B.86, to include
2.25 enrollees of health plan companies that have contracted with the commissioner to participate
2.26 in the program. The recommendations must address the process and terms by which the
2.27 commissioner would contract with health plan companies to administer prescription drug
2.28 benefits and develop and manage a drug formulary. The commissioner must present a report
2.29 with recommendations to the chairs and ranking minority members of the legislative
2.30 committees with jurisdiction over commerce and health and human services policy and
2.31 finance by December 15, 2026.