

SENATE BILL NO. 2088

Introduced by

Human Services Committee

(At the request of the Office of Management and Budget)

1 A BILL for an Act to create and enact a new section to chapter 50-24.1 of the North Dakota
2 Century Code, relating to development of a pharmacy best practices and cost control program
3 and to authorize additional prescription drug cost containment strategies in the medical
4 assistance program.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1.** A new section to chapter 50-24.1 of the North Dakota Century Code is
7 created and enacted as follows:

8 **Prescription drug cost containment - Third-party contract - Rules.**

- 9 1. The department of human services shall establish a pharmacy best practices and
10 cost control program designed to reduce the cost to the medical assistance
11 program of providing prescription drugs while maintaining high quality in
12 prescription drug therapies. The program must include a preferred list of covered
13 prescription drugs which identifies preferred choices within therapeutic classes for
14 particular diseases and conditions, including generic alternatives, utilization review
15 procedures, including a prior authorization review process, and any other cost
16 containment activity designed to reduce the cost of providing prescription drugs
17 while maintaining high quality in prescription drug therapies. The department of
18 human services may negotiate additional rebates from drug manufacturers to
19 supplement the rebates required by federal law governing the medical assistance
20 program. The department of human services may implement all or a portion of this
21 program through a contract with a third party with expertise in the management of
22 pharmacy benefits.
- 23 2. The department of human services shall authorize pharmacy benefit coverage
24 when a medical assistance recipient's health care provider prescribes a

- 1 prescription drug not on the preferred drug list, or a prescription drug that is not the
2 list's preferred choice under the same terms as coverage for preferred choice
3 drugs if:
- 4 a. The preferred choice has not been effective, or with reasonable certainty is
5 not expected to be effective, in treating the patient's condition; or
- 6 b. The preferred choice causes or is reasonably expected to cause adverse or
7 harmful reactions in the patient.
- 8 The requirements of subdivisions a and b may be waived by the department of
9 human services if the medical assistance recipient agrees to pay any additional
10 cost in excess of the benefits provided if allowed under the applicable legal
11 requirements, otherwise to pay the full cost for the higher-priced drug.
- 12 3. The department of human services is authorized to adopt rules necessary to
13 implement the pharmacy cost control program.