

Sixty-fifth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1034

Introduced by

Legislative Management

(Health Care Reform Review Committee)

1 A BILL for an Act to amend and reenact section 50-24.1-37 of the North Dakota Century Code,
2 relating to the provider reimbursement rates under the Medicaid expansion program; and to
3 provide for a report to the legislative management.

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

5 **SECTION 1. AMENDMENT.** Section 50-24.1-37 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **50-24.1-37. (~~Effective January 1, 2014, through July 31, 2017~~) Medicaid expansion -**
8 **Report to legislative management.**

9 1. The department of human services shall expand medical assistance coverage as
10 authorized by the federal Patient Protection and Affordable Care Act [Pub. L. 111-148],
11 as amended by the Health Care and Education Reconciliation Act of 2010 [Pub.
12 L. 111-152] to individuals under sixty-five years of age with income below one hundred
13 thirty-eight percent of the federal poverty level, based on modified adjusted gross
14 income.

15 2. The department of ~~human services~~ shall inform new enrollees in the medical
16 assistance program that benefits may be reduced or eliminated if federal participation
17 decreases or is eliminated.

18 3. ~~The~~If the department ~~shall implement~~implements the medical assistance expansion by
19 bidding through private carriers or utilizing the health insurance exchange. ~~The, the~~
20 contract between the department and the private carrier must:

21 a. Provide a reimbursement methodology for all medications and dispensing fees
22 which identifies the minimum amount paid to pharmacy providers for each
23 medication. The reimbursement methodology, at a minimum, must:

24 (1) Be available on the department's website; and

- 1 (2) Encompass all types of pharmacy providers regardless of whether the
2 pharmacy benefits are being paid through the private carrier or contractor or
3 subcontractor of the private carrier under this section.
- 4 b. Provide full transparency of all costs and all rebates in aggregate.
- 5 c. Allow an individual to obtain medication from a pharmacy that provides mail order
6 service; however, the contract may not require mail order to be the sole method
7 of service.
- 8 d. Ensure that pharmacy services obtained in jurisdictions other than this state and
9 its three contiguous states are subject to prior authorization and reporting to the
10 department for eligibility verification.
- 11 e. Ensure the payments to pharmacy providers do not include a required payback
12 amount to the private carrier or one of the private carrier's contractors or
13 subcontractors which is not representative of the amounts allowed under the
14 reimbursement methodology provided in subdivision a.

15 f. ~~Any~~

16 4. If the department implements the medical assistance expansion by bidding through
17 private carriers or utilizing the health insurance exchange:

- 18 a. The contract between the department and the private carrier must provide the
19 department with full access to provider reimbursement rates.
- 20 b. The department shall consider provider reimbursement rate information in
21 selecting a private carrier under this section.
- 22 c. Before August first of each even-numbered year, the department shall submit a
23 report to the legislative management regarding provider reimbursement rates
24 under the medical assistance expansion program. This report may provide
25 cumulative data and trend data but may not disclose identifiable provider
26 reimbursement rates.

27 5. Provider reimbursement rate information received by the department under this
28 section and any information provided to the department of human services or any
29 audit firm by a pharmacy benefit manager under this section is confidential under
30 section 44-04-17.1, except the department may use the reimbursement rate

- 1 information to prepare the report to the legislative management as required under this
- 2 section.