

Sixty-fourth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1041

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 pharmacy benefit management services for the medicaid expansion program; and to
3 provide for application.

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

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

17 3. The department shall implement the expansion by bidding through private carriers or
18 utilizing the health insurance exchange.

19 a. If the expansion is implemented through a private carrier:

20 (1) The department shall issue one request for proposal for the health
21 insurance component; and

22 (2) The department shall issue one request for proposal for the pharmacy
23 benefit management component or shall provide the pharmacy benefit
24 management services through the department of human services.

1 b. If the pharmacy benefit management component is not provided through the
2 department, the contract between the department and the pharmacy benefit
3 manager must provide for:

4 (1) Pass-through pricing for the dispensing fee and the ingredient cost of each
5 drug dispensed;

6 (2) Pass-through of each mandated rebate;

7 (3) Full transparency of all costs and all rebates; and

8 (4) An annual audit performed by an audit firm selected by the department, a
9 confidentiality agreement under which the audit firm operates, and an

10 agreement the department will receive all audit-related information obtained
11 by the audit firm.

12 **SECTION 2. APPLICATION.** Under Section 1 of this Act, the department of human services
13 shall revise the medicaid expansion contract for the contract effective January 1, 2016, or as
14 soon as the medicaid expansion contract changes under Section 1 of this Act are approved by
15 the federal government, whichever occurs later.