

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1539

Page 1, line 4, remove the first "and"

Page 1, line 6, after "committee" insert "; to provide for a prescription drug coverage performance audit; and to provide for a legislative management report"

Page 4, line 19, after "coverage" insert ", whether contracting directly with a pharmacy benefits manager, providing prescription drug coverage through a self-insurance plan, or contracting with a carrier."

Page 4, line 20, overstrike "during" and insert immediately thereafter "for"

Page 4, line 21, after the period insert "For each contract for prescription drug coverage, the board shall conduct a performance audit under this section."

Page 4, line 24, after "carrier" insert "and from all other sources under the contract with the carrier"

Page 4, line 31, after the second comma insert "administration fee."

Page 5, line 4, after the second comma insert "administration fee."

Page 5, line 7, after "assessments" insert ", effective rates, or other price concessions"

Page 5, line 11, after "assessments" insert ", effective rates, or other price concessions"

Page 5, line 13, overstrike "The contract must provide that" and insert immediately thereafter "That"

Page 5, line 14, after "discounts" insert ", from all sources."

Page 5, after line 14, insert:

- "g. The board must have full access to data to determine whether spread pricing occurs, and if spread pricing occurs, full access to data regarding the spread pricing.
- h. The board must have full access to the contract and any subcontract by the carrier and the pharmacy benefits manager or other entity regarding the plan members.
- i. The board must have access to all documents necessary for the board to conduct the performance audit under this section.
- j. That failure to comply with the terms of the contract relating to access to data is a breach of the contract with the board. Upon a finding of breach of contract under this subdivision, the board is entitled to liquidated damages in the amount of twenty thousand dollars per violation."

Page 5, line 16, after the period insert "Data and documents provided by the pharmacy benefits manager to the board may not be redacted or altered by the pharmacy benefits manager."

Page 5, line 21, after the period insert "The pharmacy benefits manager shall provide all data and documents necessary to enable the board to calculate any compensation the pharmacy benefits manager pays to the public employees retirement system if a program or contract guarantee was not properly implemented. The pharmacy benefits manager shall disclose to the board all retained manufacturer administrative fees."

Page 6, after line 15, insert:

**"SECTION 10. PUBLIC EMPLOYEES RETIREMENT SYSTEM - STATE AUDITOR - PRESCRIPTION DRUG COVERAGE PERFORMANCE AUDIT - REPORT TO LEGISLATIVE MANAGEMENT.** In lieu of the requirement under section 54-52.1-04.16 that the public employees retirement system contract to conduct a prescription drug coverage performance audit of the main public employees retirement system health benefit plan for the 2021-23 contract, the state auditor shall contract in accordance with chapter 54-10 to conduct a prescription drug coverage performance audit of the main public employees retirement system health benefit plan during the 2023-24 interim, in the same manner as provided for under section 54-52.1-04.16, for contract years 2021-23. The retirement board, carrier, and pharmacy benefits manager shall provide the state auditor with access to information in the same manner as provided for a performance audit under section 54-52.1-06. The state auditor may pursue the liquidated damages for failure to provide the auditor access to data for the performance audit conducted under this section. Performance audit fees, not to exceed \$375,000, for performance audits performed under this section must be on a flat fee or hourly basis and be paid by the public employees retirement system board. The state auditor shall provide reports to the legislative management regarding contracts to conduct the prescription drug coverage performance audits, performance audit results, and audit reports issued."

Renumber accordingly