

Good morning, Chairman Lee and committee members of the Senate Human Service Committee. For the record my name is Rep. Lisa Meier of District 32.

This bill is a pilot project with a sunset clause and applies to the 25 most costly drugs to the Public Employees Retirement System.

It sets reference pricing based on Canadian prices for drugs.

Savings from this program must be used to reduce costs to the consumer.

This bill places penalties for any drug manufacturer for withdrawing from the market in our state.

There is no option for self-funded health care plans. It does apply to other payers other than Medicaid.

Reporting requirements include both an annual form demonstrating savings by each payer and a final report.

Violations are a Class A misdemeanor with a \$1000 per day fine.

This bill is based off model legislation from the National Academy for State Health Policy and a broader version of this bill was introduced last session in a broader form.

Americans pay in some instances more than 3 times of what other people pay for prescriptive drugs from other countries.

In North Dakota the average annual cost of prescription drug treatment increased over 26% in the last 10 years and annual income in North Dakota increased just over 12%.

Our constituents continue to ask us to do something towards a step forward.

The interim Health Care committee carefully reviewed the bill and moved it forward and I hope for favorable support in this committee.

Thank you, I appreciate your favorable consideration.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2031

Page 1, line 1, replace "19-25" with "54-52.7"

Page 1, line 2, after the first "a" insert "public employees retirement system"

Page 1, replace lines 5 and 6 with:

"SECTION 1. Chapter 54-52.7 of the North Dakota Century Code is created and enacted as follows:"

Page 1, line 7, replace "19-25-01" with "54-52.7-01"

Page 1, line 10, remove "an entity for which a pharmacy benefits manager provides"

Page 1, remove lines 11 through 13

Page 1, line 14, replace "beneficiaries who work or reside in this state" with "the public employees retirement system uniform group insurance health insurance benefits coverage under chapter 54-52.1"

Page 1, line 21, remove "an agency of the state government which purchases prescription"

Page 1, remove lines 22 and 23

Page 1, line 24, replace "the state. The term does not include the medical assistance program" with "the public employees retirement system"

Page 2, line 3, replace "19-25-02" with "54-52.7-02"

Page 2, line 7, replace "19-25-03" with "54-52.7-03"

Page 2, line 9, after "delivered" insert "directly"

Page 2, line 9, remove ", whether directly or"

Page 2, line 10, remove "through a distributor."

Page 2, line 13, remove "or distribution"

Page 2, line 14, remove "state entity or"

Page 2, line 17, replace "19-25-04" with "54-52.7-04"

Page 2, line 18, replace "public employees retirement system" with "state entity"

Page 2, line 19, remove "public employees retirement system"

Page 2, line 20, replace "benefits coverage based upon" with "plan"

Page 2, line 21, replace "public employees retirement system" with "state entity"

Page 2, line 23, replace "public employees retirement system" with "state entity"

Page 2, line 24, replace "public employees retirement system" with "state entity"

Page 3, line 17, remove "public employees retirement"

Page 3, line 18, replace "system" with "state entity"

Page 3, remove lines 19 through 22

Page 3, line 23, replace "19-25-06" with "54-52.7-05"

Page 3, line 24, replace "each" with "the"

Page 3, line 24, remove "and health plan"

Page 3, line 25, remove "subject to this chapter"

Page 3, line 26, remove "and how those savings were used to"

Page 3, line 27, remove "comply with section 19-25-05"

Page 3, line 30, after "drugs" insert "and other health insurance plans"

Page 4, line 3, replace "19-25-07" with "54-52.7-06"

Page 4, line 4, remove "or distributor"

Page 4, line 10, remove "or distributor"

Page 4, line 13, remove "or distributor"

Page 4, line 16, replace "19-25-04" with "54-52.7-04"

Page 4, line 17, remove "or distributor"

Page 4, line 20, remove "or distributor"

Page 4, line 23, remove "or distributor"

Page 4, line 25, replace "19-25-04" with "54-52.7-04"

Page 4, line 29, after "commissioner" insert "and the public employees retirement system"

Page 5, line 1, after "drugs" insert "and other health insurance plans"

Page 5, line 2, replace "deems" with "and public employees retirement system deem"

Renumber accordingly