

Wolf, Sheldon

From: Lahr, Pat
Sent: Monday, January 16, 2023 9:47 AM
To: Wolf, Sheldon
Subject: FW: SB 2031

Hi Sheldon,
Please print copies for the Senators and for me.
Thanks,
Pat

From: Clark, Jennifer S. <jclark@ndlegis.gov>
Sent: Monday, January 16, 2023 9:42 AM
To: Lee, Judy E. <jlee@ndlegis.gov>
Cc: Lahr, Pat <plahr@ndlegis.gov>
Subject: SB 2031

Senator Lee-

Per your request, here are my written notes on SB No. 2031:

The bill has three sections:

- Section 1 creates a new chapter to Title 19, which contains our food and drug laws;
- Section 2 directs the Insurance Commissioner to report on the program to the Legislative Management for the next two interims; and
- Section 3 provides an August 1, 2027, sunset for the program.

Section 1

- Creates the drug reference rate pilot program.
- This program applies to the private insurance market as well as state plans that provide for the purchase of prescription drugs. Although the plan does not apply to the Medical Assistance program, it may apply to Workforce Safety and Insurance.
- Directs the Insurance Commissioner to develop the program.
 - The Commissioner will get a list of the 25 most costly drugs from PERS; and
 - The Commissioner will consider the wholesale acquisition cost and the Canadian prices to set a reference rate for the 25 drugs.
- Provides violation of the program is a Class A Misdemeanor. This applies to the health plans, state entities, and pharmacies.
- Application of savings are directed to be routed to the consumer.
- Provides for annual reporting requirements.

Section 2

- Directs the Insurance Commissioner to make annual reports to the Legislative Management during the 2023-24 and the 2025-26 interims.

Section 3

- Expires the drug reference rate pilot program August 1, 2027.

Have a great day-

Jenn

Jennifer Clark
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