

ASSEMBLY, No. 1443

STATE OF NEW JERSEY

217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

Sponsored by:

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District 35 (Bergen and Passaic)

SYNOPSIS

Requires coverage of medication therapy management in Medicaid and NJ FamilyCare.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 3/8/2016)

1 AN ACT concerning Medicaid and NJ FamilyCare and
2 supplementing Title 30 of the Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. As used in this act:

8 “Division” means the Division of Medical Assistance and Health
9 Services in the Department of Human Services.

10 “Medicaid managed care contract” means a contract for the
11 provision of health care services by a managed care organization to
12 individuals eligible for the Medicaid program pursuant to P.L.1968,
13 c.413 (C.30:4D-1 et seq.) or the NJ FamilyCare program pursuant
14 to P.L.2005, c.156 (C.30:4J-8 et al.).

15 “Medication therapy management” means the systematic process
16 performed by a pharmacist or physician licensed pursuant to Title
17 45 of the Revised Statutes designed to optimize therapeutic
18 outcomes through improved medication use and reduced risk of
19 adverse drug events, including all of the following:

20 (1) a medication therapy review and in-person consultation
21 relating to all medications, vitamins, and herbal supplements
22 currently being taken by an individual;

23 (2) a medication action plan communicated to the individual or
24 the individual’s caretaker and the individual’s primary health care
25 provider or other appropriate prescriber of medication to address
26 safety issues, inconsistencies, duplicative therapy, omissions, and
27 medication costs; and

28 (3) documentation and follow-up with the individual or the
29 individual’s caretaker to ensure consistent levels of pharmacy
30 services and positive outcomes, including, as deemed necessary to
31 maintain or improve positive outcomes, follow-up discussions with
32 the individual’s primary health care provider or other appropriate
33 prescriber.

34

35 2. a. A Medicaid managed care contract shall include
36 medication therapy management services as a required benefit for
37 any enrollee:

38 (1) who takes three or more prescription drugs to treat or
39 prevent two or more chronic medical conditions;

40 (2) whose primary health care provider or other appropriate
41 prescriber identifies the individual as having a prescription drug
42 therapy problem and refers the individual to a pharmacist for
43 medication therapy management; or

44 (3) who meets other criteria established by the Commissioner of
45 Human Services.

46 b. The Medicaid and NJ FamilyCare fee-for-service programs
47 shall cover medication therapy management services for a fee-for-

1 service recipient who meets the eligibility criteria in subsection a.
2 of this section.

3

4 3. a. The Medicaid managed care contract shall require that the
5 managed care organization enter into a contract with a third party
6 entity to administer the medication therapy management program,
7 which shall be approved by the division. The contract between the
8 managed care organization and the third party entity shall include
9 the following requirements:

10 (1) The third party entity shall guarantee demonstrated annual
11 savings, including savings associated with cost avoidance at least
12 equal to the amount owed to the third party entity under the
13 contract, with any shortfall amount refunded to the State. Prior to
14 entering into the contract, the managed care organization, the third
15 party entity, and the division shall agree on the terms, conditions,
16 and applicable measurement standards associated with the
17 demonstration of savings, which shall be specified in the contract.

18 (2) The third party entity and the managed care organization
19 shall report annually to the division on the costs, savings, cost
20 avoidance, return on investment, and change in patient outcomes
21 related to the provision of medication therapy management services.

22 (3) The third party entity shall contract with pharmacies or
23 pharmacists to provide medication therapy management services.
24 Medication therapy management services required by the Medicaid
25 managed care contract shall not be provided by employees of the
26 managed care organization or the third party entity. Fees paid to
27 pharmacies and pharmacists for medication therapy management
28 services shall be reasonable and based on the resources and time
29 required to provide the service.

30 b. The division shall enter into a contract with a third party
31 entity to administer the medication therapy management program
32 for Medicaid or NJ FamilyCare fee-for-service recipients. The
33 contract shall include the same requirements as the contract
34 between a Medicaid managed care organization and a third party
35 entity pursuant to subsection a. of this section.

36

37 4. A Medicaid managed care contract and the Medicaid and NJ
38 FamilyCare fee-for-service programs shall require that fees paid for
39 medication therapy management services to the third party entity
40 contracted to administer the program are reasonable and based on
41 the resources and time required to provide the service. Fees for
42 pharmacist-delivered medication therapy management services shall
43 be separate from reimbursements for prescription drug products or
44 dispensing services.

45

46 5. If any part of a medication action plan developed by a
47 pharmacist incorporates services that are outside a pharmacist's
48 scope of practice as defined by P.L.2003, c.280 (C.45:14-40 et

1 seq.), including the initiation of therapy, modification of dosages,
2 therapeutic interchange, or changes in drug therapy, the express
3 authorization of the individual's primary health care provider or
4 other appropriate prescriber shall be obtained prior to making any
5 changes to the individual's medication treatment regimen and shall
6 be documented in the patient's pharmacy records.

7
8 6. The provisions of P.L. , c. (C.) (pending before the
9 Legislature as this bill) shall not apply to a resident of a nursing
10 facility, an assisted living facility, or an adult day health facility
11 licensed pursuant to the "Health Care Facilities Planning Act,"
12 P.L.1971, c.136 (C.26:2H-1 et seq.).

13
14 7. The Commissioner of Human Services shall adopt rules and
15 regulations, pursuant to the "Administrative Procedure Act,"
16 P.L.1968, c.410 (C.52:14B-1 et seq.), in order to effectuate the
17 purposes of this act.

18
19 8. This act shall take effect on the first day of the seventh
20 month next following the date of enactment, and shall apply to any
21 Medicaid managed care contract executed on or after the effective
22 date of this act, except that the Commissioner of Human Services
23 shall take such anticipatory administrative action in advance thereof
24 as shall be necessary for the implementation of this act.

25 26 27 STATEMENT

28
29 This bill requires the coverage of medication therapy
30 management services in Medicaid and NJ FamilyCare.

31 The bill defines medication therapy management as the
32 systematic process performed by a pharmacist or physician
33 designed to optimize therapeutic outcomes through improved
34 medication use and reduced risk of adverse drug events, including:

- 35 • a medication therapy review and in-person consultation relating
36 to all medications, vitamins, and herbal supplements currently
37 being taken by an individual;
- 38 • a medication action plan communicated to the individual or the
39 individual's caretaker and the individual's primary health care
40 provider or other appropriate prescriber of medication to address
41 safety issues, inconsistencies, duplicative therapy, omissions,
42 and medication costs; and
- 43 • documentation and follow-up with the individual or the
44 individual's caretaker to ensure consistent levels of pharmacy
45 services and positive outcomes, including (as deemed necessary
46 to maintain or improve positive outcomes) follow-up
47 discussions with the individual's primary health care provider or
48 other appropriate prescriber.

1 The bill requires that Medicaid and NJ FamilyCare cover
2 medication therapy management services for enrollees (1) who take
3 at least three different prescription drugs for at least two chronic
4 medical conditions, (2) whose primary health care provider or other
5 appropriate prescriber identifies the individual as having a
6 prescription drug therapy problem and refers the individual to a
7 pharmacist for medication therapy management, or (3) who meets
8 other criteria established by the Commissioner of Human Services.

9 The bill requires that a Medicaid managed care organization
10 contract with a third party entity to administer a medication therapy
11 management program, and requires that the Division of Medical
12 Assistance and Health Services contract with a third party entity to
13 administer the program for fee-for-service recipients. The bill
14 provides that the contract must include the following requirements:

- 15 • The third party entity must guarantee demonstrated annual
16 savings, including savings associated with cost avoidance at
17 least equal to the amount owed to the third party entity under the
18 contract, with any shortfall amount refunded to the State.
- 19 • The third party entity, and the managed care organization, as
20 applicable, must report annually to the division on the costs,
21 savings, cost avoidance, return on investment, and change in
22 patient outcomes related to the provision of medication therapy
23 management services.
- 24 • The third party entity must contract with pharmacies or
25 pharmacists to provide medication therapy management
26 services. Medication therapy management services required by
27 the Medicaid managed care contract must not be provided by
28 employees of the managed care organization or the third party
29 entity.

30 The bill requires that fees paid for medication therapy
31 management services are reasonable and based on the resources and
32 time required to provide the service. The bill requires that fees for
33 pharmacist-delivered medication therapy management services be
34 separate from reimbursements for prescription drug products or
35 dispensing services.

36 The bill specifies that if any part of a medication action plan
37 developed by a pharmacist incorporates services outside a
38 pharmacist's scope of practice, the express authorization of the
39 individual's primary health care provider or other appropriate
40 prescriber must be obtained prior to making any changes to the
41 individual's medication treatment regimen.

42 The bill requires the Commissioner of Human Services to adopt
43 rules and regulations, pursuant to the "Administrative Procedure
44 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the
45 purposes of the bill.

46 The bill excludes residents of nursing facilities, assisted living
47 facilities, or adult day health facilities licensed pursuant to the
48 "Health Care Facilities Planning Act," P.L.1971, c.136 (C.26:2H-1

1 et seq.), from the bill's medication therapy management coverage
2 requirements.

3 The bill takes effect on the first day of the seventh month
4 following the date of enactment, and applies to any Medicaid
5 managed care contract executed on or after the effective date. The
6 bill requires the Commissioner of Human Services to take
7 anticipatory administrative actions necessary to implement the bill's
8 requirements.