SENATE, No. 1175



STATE OF NEW JERSEY

217th LEGISLATURE



INTRODUCED FEBRUARY 8, 2016

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

SYNOPSIS

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

CURRENT VERSION OF TEXT

 As introduced.



An Act concerning Medicaid and NJ FamilyCare and supplementing Title 30 of the Revised Statutes.

 Be It Enacted by the Senate and General Assembly of the State of New Jersey:

 1. As used in this act:

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

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

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

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

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

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

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

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

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

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

 b. The Medicaid and NJ FamilyCare fee-for-service programs shall cover medication therapy management services for a fee-for-service recipient who meets the eligibility criteria in subsection a. of this section.

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

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

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

 (3) The third party entity shall contract with pharmacies or pharmacists to provide medication therapy management services. Medication therapy management services required by the Medicaid managed care contract shall not be provided by employees of the managed care organization or the third party entity.

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

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

 5. If any part of a medication action plan developed by a pharmacist incorporates services that are outside a pharmacist’s scope of practice as defined by P.L.2003, c.280 (C.45:14-40 et seq.), including the initiation of therapy, modification of dosages, therapeutic interchange, or changes in drug therapy, the express authorization of the individual’s primary health care provider or other appropriate prescriber shall be obtained prior to making any changes to the individual’s medication treatment regimen and shall be documented in the patient’s pharmacy records.

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

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

STATEMENT

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

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

* a medication therapy review and in-person consultation relating to all medications, vitamins, and herbal supplements currently being taken by an individual;
* a medication action plan communicated to the individual or the individual’s caretaker and the individual’s primary health care provider or other appropriate prescriber of medication to address safety issues, inconsistencies, duplicative therapy, omissions, and medication costs; and
* documentation and follow-up with the individual or the individual’s caretaker to ensure consistent levels of pharmacy services and positive outcomes, including as deemed necessary to maintain or improve positive outcomes, follow-up discussions with the individual’s primary health care provider or other appropriate prescriber.

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

 The bill requires that a Medicaid managed care organization contract with a third party entity to administer a medication therapy management program and that the Division of Medical Assistance and Health Services contract with a third party entity to administer the program for fee-for-service recipients. The contract is to include the following requirements:

* The third party entity is to guarantee demonstrated annual savings, including savings associated with cost avoidance at least equal to the amount owed to the third party entity under the contract, with any shortfall amount refunded to the State.
* The third party entity, and the managed care organization, if applicable, is to report annually to the division on the costs, savings, cost avoidance, return on investment, and change in patient outcomes related to the provision of medication therapy management services.
* The third party entity is to contract with pharmacies or pharmacists to provide medication therapy management services. Medication therapy management services required by the Medicaid managed care contract are not to be provided by employees of the managed care organization or the third party entity.

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

 The bill specifies that if any part of a medication action plan developed by a pharmacist incorporates services that are outside a pharmacist’s scope of practice, the express authorization of the individual’s primary health care provider or other appropriate prescriber is to be obtained prior to making any changes to the individual’s medication treatment regimen.

 The bill takes effect on the first day of the seventh month following the date of enactment, and applies to any Medicaid managed care contract executed on or after the effective date, but authorizes the Commissioner of Human Services to take prior administrative action as necessary for its implementation.