

[First Reprint]

SENATE, No. 249

STATE OF NEW JERSEY
219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

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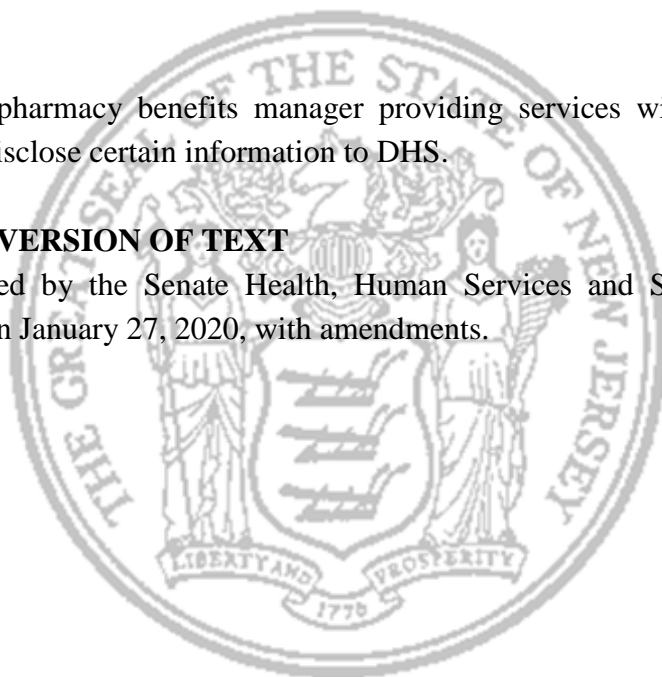
Senators Greenstein and Gopal

SYNOPSIS

Requires pharmacy benefits manager providing services within Medicaid program to disclose certain information to DHS.

CURRENT VERSION OF TEXT

As reported by the Senate Health, Human Services and Senior Citizens Committee on January 27, 2020, with amendments.



(Sponsorship Updated As Of: 6/21/2021)

1 AN ACT concerning pharmacy benefits managers providing services
2 within the Medicaid program and supplementing Title 30 of the
3 Revised Statutes.

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

7
8 1. a. Any contract or other arrangement entered into by a
9 managed care organization ¹**[**that has contracted with the Division
10 of Medical Assistance and Health Services in the Department of
11 Human Services to provide benefits under the Medicaid Program**]**,
12 or by the Division of Medical Assistance and Health Services in the
13 Department of Human Services,¹ for the provision of pharmacy
14 benefits management services ¹under the Medicaid program¹ shall
15 require the pharmacy benefits manager to disclose to the
16 department:

17 (1) all sources and amounts of income, payments, and financial
18 benefits received by the pharmacy benefits manager in relation to
19 the provision and administration of pharmacy benefits management
20 services on behalf of the managed care organization, including, but
21 not limited to, any pricing discounts, rebates of any kind,
22 inflationary payments, credits, clawbacks, fees, grants, chargebacks,
23 reimbursements, or other benefits;

24 (2) all ingredient costs and dispensing fees or similar payments
25 made by the pharmacy benefits manager to any pharmacy in
26 connection with the contract or other arrangement; and

27 (3) the pharmacy benefits manager's payment model for
28 administrative fees.

29 b. ¹Information disclosed by a pharmacy benefits manager to
30 the division pursuant to subsection a. of this section shall be
31 confidential and not be subject to public disclosure under P.L.1963,
32 c.73 (C.47:1A-1 et seq.), or P.L.2001, c.404 (C.47:1A-5 et al.). In
33 addition to any other penalty provided by law, a person who is
34 authorized to access information submitted by a pharmacy benefits
35 manager to the division who knowingly discloses such information
36 to any person or entity who is not authorized to access the
37 information shall be guilty of a crime of the fourth degree and shall
38 be subject to a civil penalty in an amount not to exceed \$10,000. A
39 civil penalty imposed under this subsection shall be collected by the
40 director pursuant to the "Penalty Enforcement Law of 1999,"
41 P.L.1999, c.274 (C.2A:58-10 et seq.).

42 c.¹ As used in this section:

43 "Pharmacy benefits manager" means a corporation, business, or
44 other entity, or unit within a corporation, business, or other entity,
45 that administers prescription drug benefits on behalf of a managed
46 care organization.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SHH committee amendments adopted January 27, 2020.

1 "Pharmacy benefits management services" mean the provision of
2 any of the following services on behalf of a managed care
3 organization: the procurement of prescription drugs at a negotiated
4 rate for dispensation within this State; the processing of prescription
5 drug claims; or the administration of payments related to
6 prescription drug claims.

7
8 2. The Commissioner of Human Services, pursuant to the
9 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
10 1 et seq.), shall adopt rules and regulations necessary to implement
11 the provisions of this act.

12
13 3. This act shall take effect immediately.