SENATE, No. 1089

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JANUARY 30, 2020

Sponsored by:
Senator JOSEPH F. VITALE
District 19 (Middlesex)
Senator VIN GOPAL
District 11 (Monmouth)

SYNOPSIS

Requires all Medicaid managed care organizations to permit all pharmacies in State to dispense prescriptions for all covered medications.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 2/11/2021)

AN ACT concerning the dispensation of prescriptions covered by Medicaid managed care organizations 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.).

2. A Medicaid managed care contract shall include pharmacy choice as a required benefit for any enrollee, to be provided as follows:

a. any Medicaid managed care organization operating in this State shall permit all pharmacies in this State to dispense prescriptions for all covered medications regardless of the cost of medication or other criteria developed by the carrier;

b. a pharmacy in this State shall be required to accept the terms and conditions of the plan, but in no case shall the pharmacy be required to dispense medication at a rate below the pharmacy's cost of acquisition; and

c. the terms and conditions must be designed to allow fair participation by all pharmacies.

3. To ensure that enrollees have access to a competitive selection of providers, a Medicaid managed care organization shall:

a. permit the enrollee to choose any qualified pharmacy provided that the qualified pharmacy is a contracting provider;

b. provide that no pharmacy shall be denied the right to participate as a contracting provider, under the same terms and conditions currently applicable to all other contracting pharmacies, provided that the pharmacy accepts the terms and conditions of the Medicaid managed care contract; and

c. provide that no copayment, fee, or other condition shall be imposed upon an enrollee selecting a pharmacy that is not also equally imposed upon all enrollees selecting a qualified pharmacy.

4. 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.

5. 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 shall take such anticipatory administrative action in advance thereof as shall be necessary for the implementation of this act.

STATEMENT

This bill provides that a Medicaid managed care contract shall include pharmacy choice as a required benefit for any enrollee. Under the bill, any Medicaid managed care organization (MCO) operating in the State would permit all pharmacies in the State to dispense prescriptions for all covered medications regardless of the cost of medication or other criteria developed by the carrier. A pharmacy in this State would be required to accept the terms and conditions of the plan, but in no case would the pharmacy be required to dispense medication at a rate below the pharmacy's cost of acquisition. The terms and conditions must be designed to allow fair participation by all pharmacies.

To ensure that enrollees have access to a competitive selection of providers, the bill requires a Medicaid MCO to permit the enrollee to choose any qualified pharmacy provided that the qualified pharmacy is a contracting provider with the MCO. Additionally, the bill provides that no pharmacy will be denied the right to participate as a contracting provider with an MCO, under the same terms and conditions currently applicable to all other contracting providers, provided that the pharmacy accepts the terms and conditions of the Medicaid managed care contract. Furthermore, the bill prohibits the Medicaid MCO from imposing a copayment, fee, or other condition upon an enrollee selecting a pharmacy that is not also equally imposed upon all enrollees selecting a qualified provider.

These conditions would apply to any Medicaid managed care contract executed on or after the effective date of the bill.