

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 5123

(SENATE AUTHORS: MANN)

DATE
03/20/2024

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Introduction and first reading
Referred to Health and Human Services

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to human services; requiring the commissioner of human services to
1.3 establish a directed pharmacy dispensing payment to improve and maintain access
1.4 to pharmaceutical services; appropriating money; amending Minnesota Statutes
1.5 2022, section 256B.69, by adding a subdivision.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2022, section 256B.69, is amended by adding a subdivision
1.8 to read:

1.9 Subd. 6h. Directed pharmacy dispensing payment. (a) The commissioner shall provide
1.10 a directed pharmacy dispensing payment of \$4.50 per filled prescription to eligible outpatient
1.11 retail pharmacies in Minnesota to improve and maintain access to pharmaceutical services
1.12 in rural and underserved areas of the state. Managed care and county-based purchasing
1.13 plans delivering services under sections 256B.69 or 256B.692, and any pharmacy benefit
1.14 managers under contract with these entities, must pay the directed pharmacy dispensing
1.15 payment to eligible outpatient retail pharmacies for drugs dispensed to medical assistance
1.16 enrollees. The directed pharmacy dispensing payment is in addition to, and must not supplant
1.17 or reduce, any other dispensing fee paid by these entities to the pharmacy. Entities paying
1.18 the directed pharmacy dispensing payment must not reduce other payments to the pharmacy
1.19 as a result of payment of the directed pharmacy dispensing payment.

1.20 (b) For purposes of this subdivision, "eligible outpatient retail pharmacy" means an
1.21 outpatient retail pharmacy licensed under chapter 151 that is not owned, either directly or
1.22 indirectly or through an affiliate or subsidiary, by a pharmacy benefit manager licensed
1.23 under chapter 62W or a health carrier, as defined in section 62A.011, subdivision 2, and
1.24 that:

2.1 (1) is located in a medically underserved area or primarily serves a medically underserved
2.2 population, as defined by the United States Department of Health and Human Services
2.3 Health Resources and Services Administration under United States Code, title 42, section
2.4 254; or

2.5 (2) shares common ownership with 12 or fewer Minnesota pharmacies.

2.6 (c) In order to receive the directed pharmacy dispensing payment, a pharmacy must
2.7 submit to the commissioner a form, developed by the commissioner, attesting that the
2.8 pharmacy meets the requirements of paragraph (b).

2.9 (d) The commissioner shall set and adjust the amount of the directed pharmacy dispensing
2.10 payment to reflect the available state and federal funding.

2.11 (e) Managed care and county-based purchasing plans, and any pharmacy benefit managers
2.12 under contract with these entities, shall pay the directed pharmacy dispensing payment to
2.13 eligible outpatient retail pharmacies. The commissioner shall monitor the effect of this
2.14 requirement on access to pharmaceutical services in rural and underserved areas of the state.
2.15 If, for any contract year, federal approval is not received for this subdivision, the
2.16 commissioner must adjust the capitation rates paid to managed care plans and county-based
2.17 purchasing plans for that contract year to reflect removal of this subdivision. Contracts
2.18 between managed care plans and county-based purchasing plans, and any pharmacy benefit
2.19 managers under contract with these entities, and providers to whom this subdivision applies,
2.20 must allow recovery of payments from those providers if capitation rates are adjusted in
2.21 accordance with this paragraph. Payment recoveries must not exceed the amount equal to
2.22 any increase in rates that results from this subdivision. This subdivision expires if federal
2.23 approval is not received for this subdivision at any time.

2.24 **EFFECTIVE DATE.** This section is effective July 1, 2024, or upon federal approval,
2.25 whichever is later. The commissioner of human services shall notify the revisor of statutes
2.26 when federal approval is obtained.

2.27 **Sec. 2. APPROPRIATION.**

2.28 \$...... in fiscal year 2025 is appropriated from the general fund to the commissioner of
2.29 human services to provide directed pharmacy dispensing payments under Minnesota Statutes,
2.30 section 256B.69, subdivision 6h. This appropriation is added to the base.