

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Ambler offered the following:

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3 **Substitute Amendment for Amendment (080725) (with title**  
4 **amendment)**

5 Remove lines 290-316 and insert:

6 Section 5. Purchasing and repackaging of pharmaceuticals;  
7 studies and reports.--

8 (1) The Office of Program Policy Analysis and Government  
9 Accountability shall evaluate and submit a report to the  
10 Legislature by August 31, 2009, containing recommendations for  
11 the statewide consolidation of pharmaceutical repackaging  
12 services, including an evaluation of the value to the state of  
13 all potential credits, rebates, and cost avoidances that may be  
14 realized through repackaging for the Department of Corrections,  
15 the Department of Juvenile Justice, the Agency for Persons with  
16 Disabilities, the Department of Children and Family Services,  
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17 and the Department of Health. The Office of Program Policy  
18 Analysis and Government Accountability shall also include in its  
19 report an analysis of verifiable annual utilization rates for  
20 the dispensing of pharmaceuticals for fiscal years 2004-2005  
21 through 2008-2009 by each of the five agencies that would  
22 participate in a consolidated repackaging services program and  
23 the approximate daily output capabilities that would be required  
24 to meet the projected average daily utilization rate, as  
25 adjusted for future growth projections over the next 3 years for  
26 the five agencies. The report shall include an assessment of the  
27 projected capitalized cost of leases and equipment and the fully  
28 burdened labor rate, projected FTE requirements, and associated  
29 operating costs needed by the Department of Health to meet the  
30 projected daily utilization requirements for statewide  
31 consolidated repackaging services and, if applicable, any cost  
32 avoidances or credits that would apply or not apply, as well as  
33 any federal regulatory requirements, including any inspection  
34 and certification requirements by the United States Food and  
35 Drug Administration.

36 (2) The Office of Program Policy Analysis and Government  
37 Accountability shall evaluate and submit a report to the  
38 Legislature by September 30, 2009, containing recommendations  
39 concerning options for implementing a statewide consolidated  
40 program for purchasing pharmaceuticals under an adopted  
41 formulary to be used by the Department of Corrections, the  
42 Department of Juvenile Justice, the Agency for Persons with  
43 Disabilities, the Department of Children and Family Services,  
44 and the Department of Health and the feasibility of the state

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45 obtaining discounts below both wholesale acquisition cost and  
46 the Minnesota Multistate Contracting Alliance for Pharmacy  
47 prices for the pharmaceuticals listed on the adopted formulary,  
48 including the availability and regulatory prerequisites for  
49 obtaining 340b pricing under the federal Medicare program.

50 (3) The Department of Health shall study the feasibility  
51 of consolidating drug repackaging services through the  
52 Department of Health's central pharmacy and compare that with  
53 the costs and benefits of contracting out for such services to a  
54 private pharmaceutical repackager licensed by the United States  
55 Food and Drug Administration, with preference given to vendors  
56 with Florida-based manufacturing operations that will promote  
57 the creation and maintenance of jobs in the state. The  
58 department shall be prohibited from contracting with any other  
59 agency to provide pharmaceutical repackaging services until the  
60 results of the Office of Program Policy Analysis and Government  
61 Accountability study are reported to the Legislature and the  
62 department has submitted a plan for consolidating pharmaceutical  
63 repackaging services for the Department of Corrections, the  
64 Department of Juvenile Justice, the Agency for Persons with  
65 Disabilities, the Department of Children and Family Services,  
66 and the Department of Health, consistent with the  
67 recommendations of the Office of Program Policy Analysis and  
68 Government Accountability and the Pharmacy and Therapeutic  
69 Advisory Council. The plan shall be submitted to the Legislature  
70 by January 31, 2010.

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**T I T L E   A M E N D M E N T**

Remove lines 22-27 and insert:  
five or fewer residents; requiring the Office of Program  
Policy Analysis and Government Accountability to evaluate  
and submit reports to the Legislature regarding  
consolidation of pharmaceutical repackaging services and  
implementation of a statewide consolidated pharmaceutical  
purchasing program; requiring the Department of Health to  
conduct a study; prohibiting the department from entering  
into certain contracts until the results of the Office of  
Program Policy Analysis and Government Accountability  
report are submitted to the Legislature and the department  
has submitted a plan to the Legislature for consolidation  
of pharmaceutical repackaging services; transferring,  
renumbering, and amending