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LEGISLATIVE ACTION

Senate

House

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Floor: 5/RS/2R

04/28/2009 10:44 AM

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Senator Lawson moved the following:

**Senate Amendment (with title amendment)**

Delete lines 305 - 331

and insert:

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

(1) The Office of Program Policy Analysis and Government Accountability shall evaluate and submit a report to the Legislature by October 31, 2009, containing recommendations for the statewide consolidation of pharmaceutical repackaging services, including an evaluation of the value to the state of all potential credits, rebates, and cost avoidances that may be



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

35 (2) The Office of Program Policy Analysis and Government  
36 Accountability shall evaluate and submit a report to the  
37 Legislature by October 31, 2009, containing recommendations  
38 concerning options for implementing a statewide consolidated  
39 program for purchasing pharmaceuticals under an adopted  
40 formulary to be used by the Department of Corrections, the  
41 Department of Juvenile Justice, the Agency for Persons with



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42 Disabilities, the Department of Children and Family Services,  
43 and the Department of Health and the feasibility of the state  
44 obtaining discounts below both wholesale acquisition cost and  
45 the Minnesota Multistate Contracting Alliance for Pharmacy  
46 prices for the pharmaceuticals listed on the adopted formulary,  
47 including the availability and regulatory prerequisites for  
48 obtaining 340b pricing under the federal Medicare program.

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

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71 ===== T I T L E A M E N D M E N T =====

72 And the title is amended as follows:

73 Delete lines 22 - 27

74 and insert:

75 fewer residents; requiring the Office of Program Policy Analysis  
76 and Government Accountability to evaluate and submit reports to  
77 the Legislature regarding consolidation of pharmaceutical  
78 repackaging services and implementation of a statewide  
79 consolidated pharmaceutical purchasing program; requiring the  
80 Department of Health to conduct a study; prohibiting the  
81 department from entering into certain contracts until the  
82 results of the Office of Program Policy Analysis and Government  
83 Accountability report are submitted to the Legislature and the  
84 department has submitted a plan to the Legislature for  
85 consolidation of pharmaceutical repackaging services;  
86 transferring,