| 1  | A bill to be entitled  |
|----|--|
| 2  | An act relating to the state employees' prescription             |
| 3  | drug program; amending s. 110.12315, F.S.; requiring             |
| 4  | the Department of Management Services to implement               |
| 5  | formulary management cost-saving measures; providing             |
| 6  | requirements for such measures; amending ch. 99-255,             |
| 7  | Laws of Florida; removing a provision that prohibits             |
| 8  | the department from implementing a restricted                    |
| 9  | prescription drug formulary or prior authorization               |
| 10 | program in the state employees' prescription drug                |
| 11 | program; providing an effective date.                            |
| 12 |  |
| 13 | Be It Enacted by the Legislature of the State of Florida:        |
| 14 |  |
| 15 | Section 1. Section 110.12315, Florida Statutes, as amended       |
| 16 | by section 123 of chapter 2016-62, Laws of Florida, and section  |
| 17 | 1 of chapter 2016-224, Laws of Florida, is amended to read:      |
| 18 | 110.12315 Prescription drug programThe state employees'          |
| 19 | prescription drug program is established. This program shall be  |
| 20 | administered by the Department of Management Services, according |
| 21 | to the terms and conditions of the plan as established by the    |
| 22 | relevant provisions of the annual General Appropriations Act and |
| 23 | implementing legislation, subject to the following conditions:   |
| 24 | (1) The department shall allow prescriptions written by          |
| 25 | health care providers under the plan to be filled by any         |
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26 licensed pharmacy <u>and reimbursed</u> pursuant to <u>subsection (2)</u> 27 <del>contractual claims-processing provisions</del>. Nothing in this 28 section may be construed as prohibiting a mail order 29 prescription drug program distinct from the service provided by 30 retail pharmacies.

31 (2) In providing for reimbursement of pharmacies for 32 prescription <u>drugs and supplies medicines</u> dispensed to members 33 of the state group health insurance plan and their dependents 34 under the state employees' prescription drug program:

(a) Retail, mail order, and specialty pharmacies
participating in the program must be reimbursed at a <u>rate</u>
<u>established by contract and uniform rate and subject to uniform</u>
<del>conditions,</del> according to the terms and conditions of the plan.

(b) There shall be a 30-day supply limit for <u>retail</u> <u>pharmacy fills and a</u> <del>prescription card purchases and</del> 90-day supply limit for mail order <u>fills and retail pharmacy fills by</u> <u>retail pharmacies that participate in the 90-day supply network</u> or mail order prescription drug purchases.

44 (c) The current pharmacy dispensing fee shall be
45 negotiated by the department remains in effect.

(d) The department shall establish the reimbursement
schedule for prescription drugs and supplies dispensed under the
program. The reimbursement rate for a prescription drug or
supply must be based on the cost of the generic equivalent drug
if a generic equivalent exists, unless the physician, advanced

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| 51   | registered nurse practitioner, or physician assistant  |
|--|--|
| 52   | prescribing the drug or supply clearly states on the   |
| 53   | prescription that the brand name drug or supply is medically   |
| 54   | necessary or that the product is included in the formulary of  |
| 55   | drug products that may not be interchanged pursuant to chapter   |
| 56   | 465, in which case reimbursement must be based on the cost of  |
| 57   | the brand name drug or supply as specified in the reimbursement  |
| 58   | schedule.  |
| 59   | (3) The department shall maintain the generic, preferred   |
| 60   | brand name, and nonpreferred brand name drug and supply lists to   |
| 61   | be used in the administration of the state employees'  |
| 62   | prescription drug program.   |
| 63   | (4) The department shall maintain a list of maintenance  |
| 64   | drugs and supplies.  |
|  |  |
| 65   | (a) Preferred provider organization health plan members  |
| 65<br>66                                     | (a) Preferred provider organization health plan members<br>may have prescriptions for maintenance drugs and supplies filled  |
|  |  |
| 66   | may have prescriptions for maintenance drugs and supplies filled   |
| 66<br>67                                     | may have prescriptions for maintenance drugs and supplies filled<br>up to three times as an up to 30-day supply through a retail   |
| 66<br>67<br>68                               | may have prescriptions for maintenance drugs and supplies filled<br>up to three times as an up to 30-day supply through a retail<br>pharmacy; thereafter, prescriptions for the same maintenance   |
| 66<br>67<br>68<br>69                         | may have prescriptions for maintenance drugs and supplies filled<br>up to three times as an up to 30-day supply through a retail<br>pharmacy; thereafter, prescriptions for the same maintenance<br>drug or supply must be filled as an up to 90-day supply through  |
| 66<br>67<br>68<br>69<br>70                   | may have prescriptions for maintenance drugs and supplies filled<br>up to three times as an up to 30-day supply through a retail<br>pharmacy; thereafter, prescriptions for the same maintenance<br>drug or supply must be filled as an up to 90-day supply through<br>the department's contracting mail order pharmacy or through a   |
| 66<br>67<br>68<br>69<br>70<br>71             | may have prescriptions for maintenance drugs and supplies filled<br>up to three times as an up to 30-day supply through a retail<br>pharmacy; thereafter, prescriptions for the same maintenance<br>drug or supply must be filled as an up to 90-day supply through<br>the department's contracting mail order pharmacy or through a<br>participating 90-day retail pharmacy.  |
| 66<br>67<br>68<br>69<br>70<br>71<br>72       | <pre>may have prescriptions for maintenance drugs and supplies filled<br/>up to three times as an up to 30-day supply through a retail<br/>pharmacy; thereafter, prescriptions for the same maintenance<br/>drug or supply must be filled as an up to 90-day supply through<br/>the department's contracting mail order pharmacy or through a<br/>participating 90-day retail pharmacy.<br/>(b) Health maintenance organization health plan members</pre>  |
| 66<br>67<br>68<br>69<br>70<br>71<br>72<br>73 | <pre>may have prescriptions for maintenance drugs and supplies filled<br/>up to three times as an up to 30-day supply through a retail<br/>pharmacy; thereafter, prescriptions for the same maintenance<br/>drug or supply must be filled as an up to 90-day supply through<br/>the department's contracting mail order pharmacy or through a<br/>participating 90-day retail pharmacy.<br/>(b) Health maintenance organization health plan members<br/>may have prescriptions for maintenance drugs and supplies filled</pre> |

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76 Copayments made by health plan members for an up to (5) 77 90-day supply through a participating 90-day retail pharmacy 78 shall be the same as copayments made by health plan members for 79 an up to 90-day supply through the department's contracting mail 80 order pharmacy. 81 The department shall conduct a prescription (6) 82 utilization review program. In order to participate in the state 83 employees' prescription drug program, retail pharmacies 84 dispensing prescription drugs to members of the state group 85 health insurance plan or their covered dependents, or to 86 subscribers of a health maintenance organization plan under the state group insurance program or their covered dependents, shall 87 88 make their records available for such review. 89 (7) The department shall implement the following cost-90 saving measures which shall not restrict access to the most 91 clinically appropriate, clinically effective, and lowest net 92 cost prescription drugs and supplies: 93 Formulary management. Prescription drugs and supplies (a) 94 shall be subject to formulary inclusion and exclusion. 95 Prescription drugs and supplies that are excluded may be made 96 available to an individual member of the state employee 97 prescription drug program or their covered dependents for 98 inclusion by medical necessity review. 99 (b) Adjustments as may be required to balance program 100 funding within appropriations provided.

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101 (3) The Department of Management Services shall establish 102 the reimbursement schedule for prescription pharmaceuticals 103 dispensed under the program. Reimbursement rates for a 104 prescription pharmaceutical must be based on the cost of the 105 generic equivalent drug if a generic equivalent exists, unless 106 the physician, advanced registered nurse practitioner, or 107 physician assistant prescribing the pharmaceutical clearly 108 states on the prescription that the brand name drug is medically necessary or that the drug product is included on the formulary 109 110 of drug products that may not be interchanged as provided in 111 chapter 465, in which case reimbursement must be based on the 112 cost of the brand name drug as specified in the reimbursement 113 schedule adopted by the Department of Management Services. 114 (4) The Department of Management Services shall conduct a 115 prescription utilization review program. In order to participate

116 in the state employees' prescription drug program, retail 117 pharmacies dispensing prescription medicines to members of the 118 state group health insurance plan or their covered dependents, 119 or to subscribers or covered dependents of a health maintenance 120 organization plan under the state group insurance program, shall 121 make their records available for this review.

122 (5) The Department of Management Services shall implement
 123 such additional cost-saving measures and adjustments as may be
 124 required to balance program funding within appropriations
 125 provided, including a trial or starter dose program and

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| 126 | dispensing of long-term-maintenance medication in lieu of acute              |
|-----|--|
| 127 | therapy medication.  |
| 128 | (8) <del>(6)</del> Participating pharmacies must use a point-of-sale         |
| 129 | device or an online computer system to verify a participant's                |
| 130 | eligibility for coverage. The state is not liable for                        |
| 131 | reimbursement of a participating pharmacy for dispensing                     |
| 132 | prescription drugs and supplies to any person whose current                  |
| 133 | eligibility for coverage has not been verified by the state's                |
| 134 | contracted administrator or by the Department of Management                  |
| 135 | Services.  |
| 136 | (9) <del>(7)</del> Under the state employees' prescription drug              |
| 137 | program copayments must be made as follows:                                  |
| 138 | (a) Effective <u>July 1, 2017</u> <del>January 1, 2006</del> , for the State |
| 139 | Group Health Insurance Standard Plan:  |
| 140 | 1. For <u>an up to 30-day supply of a</u> generic drug <u>at a</u>           |
| 141 | <u>retail pharmacy</u> <del>with card</del> \$7 <del>\$10</del> .            |
| 142 | 2. For an up to 30-day supply of a preferred brand name                      |
| 143 | drug <u>at a retail pharmacy</u> <del>with card</del>                        |
| 144 | 3. For <u>an up to 30-day supply of a</u> nonpreferred brand name            |
| 145 | drug <u>at a retail pharmacy</u> <del>with card</del>                        |
| 146 | 4. For <u>an up to 90-day supply of a</u> generic <u>drug from a</u>         |
| 147 | mail order pharmacy or up to a 90-day supply of a generic drug               |
| 148 | at a retail pharmacy that participates in a 90-day supply                    |
| 149 | <u>network</u> <del>drug</del>   |
| 150 | 5. For <u>an up to 90-day supply of a</u> preferred brand name               |
|     |  |

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| 151 | drug from a mail order pharmacy or up to a 90-day supply of a                          |
|-----|--|
| 152 | preferred brand name drug at a retail pharmacy that participates                       |
| 153 | <u>in a 90-day supply network</u> <del>drug.</del>                                     |
| 154 | 6. For <u>an up to 90-day supply of a</u> nonpreferred brand name                      |
| 155 | drug from a mail order pharmacy or up to a 90-day supply of a                          |
| 156 | nonpreferred brand name drug at a retail pharmacy that                                 |
| 157 | <u>participates in a 90-day supply network</u> <del>drug</del> \$100 <del>\$80</del> . |
| 158 | (b) Effective <u>July 1, 2017</u> <del>January 1, 2006</del> , for the State           |
| 159 | Group Health Insurance High Deductible Plan:   |
| 160 | 1. <del>Retail</del> Coinsurance for <u>an up to 30-day supply of a</u>                |
| 161 | generic drug <u>at a retail pharmacy</u> with card                                     |
| 162 | 2. <del>Retail</del> Coinsurance for <u>an up to 30-day supply of a</u>                |
| 163 | preferred brand name drug <u>at a retail pharmacy</u> with card30%.                    |
| 164 | 3. <del>Retail</del> Coinsurance for <u>an up to 30-day supply of a</u>                |
| 165 | nonpreferred brand name drug <u>at a retail pharmacy</u> with card50%.                 |
| 166 | 4. Mail order Coinsurance for an up to 90-day supply of a                              |
| 167 | generic drug from a mail order pharmacy or up to a 90-day supply                       |
| 168 | of a generic drug at a retail pharmacy that participates in a                          |
| 169 | <u>90-day supply network</u>   |
| 170 | 5. Mail order Coinsurance for an up to 90-day supply of a                              |
| 171 | preferred brand name drug from a mail order pharmacy or up to a                        |
| 172 | 90-day supply of a preferred brand name drug at a retail                               |
| 173 | pharmacy that participates in a 90-day supply network30%.                              |
| 174 | 6. Mail order Coinsurance for <u>an up to 90-day supply of a</u>                       |
| 175 | nonpreferred brand name drug from a mail order pharmacy or up to                       |
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| 176 | a 90-day supply of a nonpreferred brand name drug at a retail    |
|-----|--|
| 177 | pharmacy that participates in a 90-day supply network50%.        |
| 178 | (c) The Department of Management Services shall create a         |
| 179 | preferred brand name drug list to be used in the administration  |
| 180 | of the state employees' prescription drug program.               |
| 181 | Section 2. Section 8 of chapter 99-255, Laws of Florida,         |
| 182 | is amended to read:  |
| 183 | Section 8. The Department of Management Services shall not       |
| 184 | implement a prior authorization program or a restricted          |
| 185 | formulary program that restricts a non-HMO enrollee's access to  |
| 186 | prescription drugs beyond the provisions of paragraph (b)        |
| 187 | related specifically to generic equivalents for prescriptions    |
| 188 | and the provisions in paragraph (d) related specifically to      |
| 189 | starter dose programs or the dispensing of long-term maintenance |
| 190 | medications. The prior authorization program expanded pursuant   |
| 191 | to section 8 of the 1998-1999 General Appropriations Act is      |
| 192 | hereby terminated. If this section conflicts with any General    |
| 193 | Appropriations Act or any act implementing a General             |
| 194 | Appropriations Act, the Legislature intends that the provisions  |
| 195 | of this section shall prevail. This section shall take effect    |
| 196 | upon becoming law.   |
| 197 | Section 4. This act shall take effect July 1, 2017.              |
|     |  |

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