

1 A bill to be entitled
 2 An act relating to the state employees' prescription
 3 drug program; amending s. 110.1228, F.S.; providing a
 4 definition; expanding eligibility for participation in
 5 the state group health insurance program and the
 6 prescription drug coverage program to include water
 7 management districts; conforming provisions to changes
 8 made by the act; amending s. 373.605, F.S.; conforming
 9 provisions to changes made by the act; amending s.
 10 110.12315, F.S.; requiring the Department of
 11 Management Services to implement formulary management
 12 cost-saving measures; providing requirements for such
 13 measures; amending ch. 99-255, Laws of Florida;
 14 removing a provision that prohibits the department
 15 from implementing a restricted prescription drug
 16 formulary or prior authorization program in the state
 17 employees' prescription drug program; providing an
 18 effective date.

19
 20 Be It Enacted by the Legislature of the State of Florida:

21
 22 Section 1. Section 110.1228, Florida Statutes, is amended
 23 to read:

24 110.1228 Participation by small counties, small
 25 municipalities, ~~and~~ district school boards, and water management

26 | districts located in small counties.-

27 | (1) As used in this section, the term:

28 | (a) "District school board" means a district school board
 29 | located in a small county or a district school board that
 30 | receives funding pursuant to s. 1011.62(7).

31 | (b) "Small municipality" means an incorporated
 32 | municipality that has a population of 12,500 or fewer according
 33 | to the most recent decennial census.

34 | (c) "Small county" means a county that has a population of
 35 | 100,000 or fewer according to the most recent decennial census.

36 | (d) "Water management district" has the same meaning as in
 37 | s. 373.019.

38 | (2) The governing body of a small county, or ~~or~~ small
 39 | municipality, ~~or a district school board,~~ or water management
 40 | district may apply for participation in the state group health
 41 | insurance program authorized in s. 110.123 and the prescription
 42 | drug coverage program authorized by s. 110.12315 by submitting
 43 | an application along with a \$500 nonrefundable fee to the
 44 | department.

45 | (3) Any costs or savings to the state group health
 46 | insurance program or the prescription drug coverage program
 47 | resulting from such participation shall be passed on to the
 48 | local government and water management district participants and
 49 | their employees. Such costs or savings shall be delineated based
 50 | on the impact to the state, state officers and employees, ~~and~~

51 | local government employers and their employees, and water
 52 | management districts and their employees.

53 | (4) As a prerequisite to the adoption of an ordinance or
 54 | resolution or the affirmative vote of a governing board, for
 55 | participation in the state group health insurance program and
 56 | prescription drug coverage program, a small county, small
 57 | municipality, ~~or~~ district school board, or water management
 58 | district shall issue a request for proposals to provide health
 59 | insurance and prescription drug coverage. Such request for
 60 | proposals shall seek coverages equivalent to those offered
 61 | currently by the small county, small municipality, ~~or~~ district
 62 | school board, or water management district and coverages
 63 | equivalent to the state group health insurance program and
 64 | prescription drug coverage program. Such request for proposals
 65 | must provide an opportunity for the receipt of competitive
 66 | proposals from all interested parties without restriction. The
 67 | small county, small municipality, ~~and~~ district school board, and
 68 | water management district shall review and consider all
 69 | responsive proposals prior to the adoption of any ordinance or
 70 | resolution or the affirmative vote of any governing board for
 71 | participation in the state group health insurance program and
 72 | prescription drug coverage program.

73 | (5) If the department determines that a small county,
 74 | small municipality, ~~or~~ district school board, or water
 75 | management district is eligible to enroll, the small county,

76 | small municipality, ~~or~~ district school board, or water
77 | management district must agree to the following terms and
78 | conditions:

79 | (a) The minimum enrollment or contractual period will be 3
80 | years.

81 | (b) The small county, small municipality, ~~or~~ district
82 | school board, or water management district must pay to the
83 | department an initial administrative fee of not less than \$2.61
84 | per enrollee per month, or such other amount established
85 | annually to fully reimburse the department for its costs.

86 | (c) Termination of participation of a small county, small
87 | municipality, ~~or~~ district school board, or water management
88 | district requires written notice 1 year before the termination
89 | date.

90 | (d) If participation is terminated, a small county, small
91 | municipality, ~~or~~ district school board, or water management
92 | district may not reapply for participation for a period of 2
93 | years.

94 | (e) Small counties, small municipalities, ~~and~~ district
95 | school boards, and water management districts shall reimburse
96 | the state for 100 percent of its costs, including administrative
97 | costs.

98 | (f) If a small county, small municipality, ~~or~~ district
99 | school board employer, or water management district fails to
100 | make the payments required by this section to fully reimburse

101 the state, the Department of Revenue or the Department of
 102 Financial Services shall, upon the request of the Department of
 103 Management Services, deduct the amount owed by the employer from
 104 any funds not pledged to bond debt service satisfaction that are
 105 to be distributed by it to the small county, small municipality,
 106 ~~or~~ district school board, or water management district. The
 107 amounts so deducted shall be transferred to the Department of
 108 Management Services for further distribution to the trust funds
 109 in accordance with this chapter.

110 (g) The small county, small municipality, ~~or~~ district
 111 school board, or water management district shall furnish the
 112 department any information requested by the department which the
 113 department considers necessary to administer the state group
 114 health insurance program and the prescription drug coverage
 115 program.

116 (h) The small county, small municipality, ~~or~~ district
 117 school board, or water management district shall adopt the
 118 state's eligibility rules.

119 (i) The small county, small municipality, ~~or~~ district
 120 school board, or water management district may not participate
 121 in the state's cafeteria plan that allows for pretax treatment
 122 of premium contributions. If pretax treatment is desirable for
 123 employees of these participating employers, each employee of a
 124 participating employer shall execute a salary reduction
 125 agreement with that employer, and each participating employer

126 shall establish its own cafeteria plan.

127 (j) The small county, small municipality, ~~or~~ district
128 school board, or water management district shall pay monthly
129 premiums in amounts sufficient to cover claims costs, department
130 administrative costs, and third-party administrative costs and
131 provide for adequate reserves and cash flow by contributing 3
132 months' premiums and costs in advance of the coverage effective
133 date. The premiums shall be established by an actuarial analysis
134 conducted by the Department of Management Services considering
135 the requesting party a distinct health insurance risk pool and
136 as part of the state group health insurance program risk pool.
137 Such analysis shall be paid for by the participating small
138 county, small municipality, district school board, or water
139 management district.

140 (6) Sections ~~The provisions of ss. 624.436-624.446~~ do not
141 apply to the State Group Insurance Program or to this section.

142 Section 2. Section 373.605, Florida Statutes, is amended
143 to read:

144 373.605 Group insurance for water management districts.—
145 The governing board of a water management district may provide
146 group insurance for its employees, and the employees of another
147 water management district, in the same manner and with the same
148 provisions and limitations authorized for other public employees
149 under ss. 112.08, 112.09, 112.10, 112.11, and 112.14.

150 Alternatively, a water management district, after an affirmative

151 vote of its governing board, may participate in the state group
152 health insurance program and the prescription drug coverage
153 program under s. 110.1228.

154 Section 3. Section 110.12315, Florida Statutes, as amended
155 by section 123 of chapter 2016-62, Laws of Florida, and section
156 1 of chapter 2016-224, Laws of Florida, is amended to read:

157 110.12315 Prescription drug program.—The state employees'
158 prescription drug program is established. This program shall be
159 administered by the Department of Management Services, according
160 to the terms and conditions of the plan as established by the
161 relevant provisions of the annual General Appropriations Act and
162 implementing legislation, subject to the following conditions:

163 (1) The department shall allow prescriptions written by
164 health care providers under the plan to be filled by any
165 licensed pharmacy and reimbursed pursuant to subsection (2)
166 ~~contractual claims-processing provisions~~. Nothing in this
167 section may be construed as prohibiting a mail order
168 prescription drug program distinct from the service provided by
169 retail pharmacies.

170 (2) In providing for reimbursement of pharmacies for
171 prescription drugs and supplies ~~medicines~~ dispensed to members
172 of the state group health insurance plan and their dependents
173 under the state employees' prescription drug program:

174 (a) Retail, mail order, and specialty pharmacies
175 participating in the program must be reimbursed at a rate

176 established by contract and ~~uniform rate and subject to uniform~~
177 ~~conditions,~~ according to the terms and conditions of the plan.

178 (b) There shall be a 30-day supply limit for retail
179 pharmacy fills and a ~~prescription card purchases and~~ 90-day
180 supply limit for mail order fills and retail pharmacy fills by
181 retail pharmacies that participate in the 90-day supply network
182 ~~or mail order prescription drug purchases.~~

183 (c) The ~~current~~ pharmacy dispensing fee shall be
184 negotiated by the department ~~remains in effect.~~

185 (d) The department shall establish the reimbursement
186 schedule for prescription drugs and supplies dispensed under the
187 program. The reimbursement rate for a prescription drug or
188 supply must be based on the cost of the generic equivalent drug
189 if a generic equivalent exists, unless the physician, advanced
190 registered nurse practitioner, or physician assistant
191 prescribing the drug or supply clearly states on the
192 prescription that the brand name drug or supply is medically
193 necessary or that the product is included in the formulary of
194 drug products that may not be interchanged pursuant to chapter
195 465, in which case reimbursement must be based on the cost of
196 the brand name drug or supply as specified in the reimbursement
197 schedule.

198 (3) The department shall maintain the generic, preferred
199 brand name, and nonpreferred brand name drug and supply lists to
200 be used in the administration of the state employees'

201 prescription drug program.

202 (4) The department shall maintain a list of maintenance
203 drugs and supplies.

204 (a) Preferred provider organization health plan members
205 may have prescriptions for maintenance drugs and supplies filled
206 up to three times as an up to 30-day supply through a retail
207 pharmacy; thereafter, prescriptions for the same maintenance
208 drug or supply must be filled as an up to 90-day supply through
209 the department's contracting mail order pharmacy or through a
210 participating 90-day retail pharmacy.

211 (b) Health maintenance organization health plan members
212 may have prescriptions for maintenance drugs and supplies filled
213 as an up to 90-day supply either through a mail order pharmacy
214 or through a participating 90-day retail pharmacy.

215 (5) Copayments made by health plan members for an up to
216 90-day supply through a participating 90-day retail pharmacy
217 shall be the same as copayments made by health plan members for
218 an up to 90-day supply through the department's contracting mail
219 order pharmacy.

220 (6) The department shall conduct a prescription
221 utilization review program. In order to participate in the state
222 employees' prescription drug program, retail pharmacies
223 dispensing prescription drugs to members of the state group
224 health insurance plan or their covered dependents, or to
225 subscribers of a health maintenance organization plan under the

226 state group insurance program or their covered dependents, shall
227 make their records available for such review.

228 (7) The department shall implement the following cost-
229 saving measures which shall not restrict access to the most
230 clinically appropriate, clinically effective, and lowest net
231 cost prescription drugs and supplies:

232 (a) Formulary management. Prescription drugs and supplies
233 shall be subject to formulary inclusion and exclusion.
234 Prescription drugs and supplies that are excluded may be made
235 available to an individual member of the state employee
236 prescription drug program or their covered dependents for
237 inclusion by medical necessity review.

238 (b) Adjustments as may be required to balance program
239 funding within appropriations provided.

240 ~~(3) The Department of Management Services shall establish~~
241 ~~the reimbursement schedule for prescription pharmaceuticals~~
242 ~~dispensed under the program. Reimbursement rates for a~~
243 ~~prescription pharmaceutical must be based on the cost of the~~
244 ~~generic equivalent drug if a generic equivalent exists, unless~~
245 ~~the physician, advanced registered nurse practitioner, or~~
246 ~~physician assistant prescribing the pharmaceutical clearly~~
247 ~~states on the prescription that the brand name drug is medically~~
248 ~~necessary or that the drug product is included on the formulary~~
249 ~~of drug products that may not be interchanged as provided in~~
250 ~~chapter 465, in which case reimbursement must be based on the~~

251 ~~cost of the brand name drug as specified in the reimbursement~~
252 ~~schedule adopted by the Department of Management Services.~~

253 ~~(4) The Department of Management Services shall conduct a~~
254 ~~prescription utilization review program. In order to participate~~
255 ~~in the state employees' prescription drug program, retail~~
256 ~~pharmacies dispensing prescription medicines to members of the~~
257 ~~state group health insurance plan or their covered dependents,~~
258 ~~or to subscribers or covered dependents of a health maintenance~~
259 ~~organization plan under the state group insurance program, shall~~
260 ~~make their records available for this review.~~

261 ~~(5) The Department of Management Services shall implement~~
262 ~~such additional cost-saving measures and adjustments as may be~~
263 ~~required to balance program funding within appropriations~~
264 ~~provided, including a trial or starter dose program and~~
265 ~~dispensing of long-term maintenance medication in lieu of acute~~
266 ~~therapy medication.~~

267 (8)~~(6)~~ Participating pharmacies must use a point-of-sale
268 device or an online computer system to verify a participant's
269 eligibility for coverage. The state is not liable for
270 reimbursement of a participating pharmacy for dispensing
271 prescription drugs and supplies to any person whose current
272 eligibility for coverage has not been verified by the state's
273 contracted administrator or by the Department of Management
274 Services.

275 (9)~~(7)~~ Under the state employees' prescription drug

276 program copayments must be made as follows:

277 (a) Effective July 1, 2017 ~~January 1, 2006~~, for the State
 278 Group Health Insurance Standard Plan:

279 1. For an up to 30-day supply of a generic drug at a
 280 retail pharmacy with card.....\$7 ~~\$10~~.

281 2. For an up to 30-day supply of a preferred brand name
 282 drug at a retail pharmacy with card.....\$30 ~~\$25~~.

283 3. For an up to 30-day supply of a nonpreferred brand name
 284 drug at a retail pharmacy with card.....\$50 ~~\$40~~.

285 4. For an up to 90-day supply of a generic drug from a
 286 mail order pharmacy or up to a 90-day supply of a generic drug
 287 at a retail pharmacy that participates in a 90-day supply
 288 network drug.....\$14 ~~\$20~~.

289 5. For an up to 90-day supply of a preferred brand name
 290 drug from a mail order pharmacy or up to a 90-day supply of a
 291 preferred brand name drug at a retail pharmacy that participates
 292 in a 90-day supply network drug.....\$60 ~~\$50~~.

293 6. For an up to 90-day supply of a nonpreferred brand name
 294 drug from a mail order pharmacy or up to a 90-day supply of a
 295 nonpreferred brand name drug at a retail pharmacy that
 296 participates in a 90-day supply network drug.....\$100 ~~\$80~~.

297 (b) Effective July 1, 2017 ~~January 1, 2006~~, for the State
 298 Group Health Insurance High Deductible Plan:

299 1. ~~Retail~~ Coinsurance for an up to 30-day supply of a
 300 generic drug at a retail pharmacy with card.....30%.

301 2. ~~Retail~~ Coinsurance for an up to 30-day supply of a
 302 preferred brand name drug at a retail pharmacy with card.....30%.

303 3. ~~Retail~~ Coinsurance for an up to 30-day supply of a
 304 nonpreferred brand name drug at a retail pharmacy with card..50%.

305 4. ~~Mail order~~ Coinsurance for an up to 90-day supply of a
 306 generic drug from a mail order pharmacy or up to a 90-day supply
 307 of a generic drug at a retail pharmacy that participates in a
 308 90-day supply network.....30%.

309 5. ~~Mail order~~ Coinsurance for an up to 90-day supply of a
 310 preferred brand name drug from a mail order pharmacy or up to a
 311 90-day supply of a preferred brand name drug at a retail
 312 pharmacy that participates in a 90-day supply network.....30%.

313 6. ~~Mail order~~ Coinsurance for an up to 90-day supply of a
 314 nonpreferred brand name drug from a mail order pharmacy or up to
 315 a 90-day supply of a nonpreferred brand name drug at a retail
 316 pharmacy that participates in a 90-day supply network.....50%.

317 ~~(c) The Department of Management Services shall create a~~
 318 ~~preferred brand name drug list to be used in the administration~~
 319 ~~of the state employees' prescription drug program.~~

320 Section 4. Section 8 of chapter 99-255, Laws of Florida,
 321 is amended to read:

322 Section 8. ~~The Department of Management Services shall not~~
 323 ~~implement a prior authorization program or a restricted~~
 324 ~~formulary program that restricts a non-HMO enrollee's access to~~
 325 ~~prescription drugs beyond the provisions of paragraph (b)~~

326 ~~related specifically to generic equivalents for prescriptions~~
327 ~~and the provisions in paragraph (d) related specifically to~~
328 ~~starter dose programs or the dispensing of long-term maintenance~~
329 ~~medications. The prior authorization program expanded pursuant~~
330 ~~to section 8 of the 1998-1999 General Appropriations Act is~~
331 ~~hereby terminated. If this section conflicts with any General~~
332 ~~Appropriations Act or any act implementing a General~~
333 ~~Appropriations Act, the Legislature intends that the provisions~~
334 ~~of this section shall prevail. This section shall take effect~~
335 ~~upon becoming law.~~

336 Section 5. This act shall take effect July 1, 2017.