

By Senator Rodriguez

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1 A bill to be entitled
2 An act relating to Medicaid pharmacy benefit savings;
3 creating s. 409.93, F.S.; providing a short title;
4 providing legislative findings; requiring the Agency
5 for Health Care Administration to select a single
6 pharmacy benefit administrator through a competitive
7 procurement process to administer all pharmacy
8 benefits for Medicaid recipients enrolled in managed
9 care plans; requiring the agency to complete the
10 procurement process and select the pharmacy benefit
11 administrator by a specified date; prohibiting managed
12 care organizations from providing pharmacy benefits
13 for their enrolled members; requiring the agency to
14 make certain considerations during the procurement
15 process; providing contract requirements; requiring
16 the agency to calculate an amount equal to a specified
17 percentage of each managed care organization's net
18 underwriting gain for a certain contract year;
19 requiring the agency to reduce a managed care
20 organization's contract term payment by such amount to
21 be used for specified purposes; providing an effective
22 date.

23
24 Be It Enacted by the Legislature of the State of Florida:

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26 Section 1. Section 409.93, Florida Statutes, is created to
27 read:

28 409.93 Medicaid Pharmacy Benefit Savings Optimization Act.—
29 (1) This section may be cited as the "Medicaid Pharmacy

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30 Benefit Savings Optimization Act.”

31 (2) The Legislature finds that:

32 (a) The Agency for Health Care Administration administers
33 Medicaid benefits for the state’s low-income beneficiaries and
34 aged and disabled persons as well as children’s health insurance
35 programs for uninsured children in low-income families.

36 (b) The agency provides certain Medicaid benefits to the
37 residents of this state directly through its fee-for-service
38 program or indirectly through managed care organizations.

39 (c) Pharmacy benefits for Medicaid patients in this state
40 are generally provided using managed care organizations.

41 (d) Despite efforts to reduce the costs of prescription
42 drugs, the state Medicaid program continues to experience
43 substantial increases in prescription drug costs each year.

44 (e) Several states have passed legislation removing
45 prescription drug benefits from their Medicaid managed care
46 delivery systems and providing all pharmacy benefits through
47 their existing fee-for-service programs or using a single
48 pharmacy benefit administrator, resulting in savings of hundreds
49 of millions of dollars for those states.

50 (f) Moving pharmacy benefits from the Medicaid managed care
51 delivery system and providing those benefits through a single
52 pharmacy benefit administrator using the state’s existing
53 Medicaid fee-for-service program could result in potentially
54 significant savings for the state.

55 (3) (a) The agency shall select a single pharmacy benefit
56 administrator through a competitive procurement process to
57 administer all pharmacy benefits for Medicaid recipients
58 enrolled in managed care plans.

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59 (b) By October 1, 2021, the agency shall complete the
60 procurement process and select a single pharmacy benefit
61 administrator. Upon such selection, managed care organizations
62 may no longer provide pharmacy benefits for their enrolled
63 members. As part of the procurement process, the agency shall
64 consider pricing, quality, accessibility, and any potential
65 conflicts of interest the pharmacy benefit administrator may
66 have with the agency, a managed care plan, or a pharmacy
67 participating in the state's Medicaid program. The contract with
68 the pharmacy benefit administrator must:

69 1. Establish the pharmacy benefit administrator's fiduciary
70 duty to the state.

71 2. Require the use of pass-through pricing by the pharmacy
72 benefit administrator.

73 3. Require the pharmacy benefit administrator to use the
74 preferred drug list, reimbursement methodologies, and dispensing
75 fees established by the agency for its existing Medicaid fee-
76 for-service program.

77 4. Prohibit the pharmacy benefit administrator from
78 requiring a Medicaid recipient to use a mail order pharmacy.

79 5. Prohibit the pharmacy benefit administrator from
80 excluding a pharmacy that is willing to accept reasonable terms
81 and conditions established by the pharmacy benefit administrator
82 to participate in the plan network.

83 (4) The agency shall calculate an amount equal to 20
84 percent of each managed care organization's net underwriting
85 gain for the July 1, 2020, through June 30, 2021, contract year,
86 as determined by the agency's Medicaid actuary. The agency shall
87 reduce each managed care organization's subsequent contract term

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88 payment by such amount and use this amount to provide pharmacy
89 benefits for managed care organization members, including any
90 costs incurred to implement this act.

91 Section 2. This act shall take effect upon becoming a law.