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Sixty-fifth Legislative Assembly of North Dakota

Introduced by

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FIRST DRAFT:
Prepared by the Legislative Council staff for the
Health Care Reform Review Committee
September 2016

- 1 A BILL for an Act to amend and reenact section 50-24.1-37 of the North Dakota Century Code,
- 2 relating to cost-sharing under the Medicaid expansion program.

3 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

- 4 **SECTION 1. AMENDMENT.** Section 50-24.1-37 of the North Dakota Century Code is amended and reenacted as follows:
- 6 50-24.1-37. (Effective January 1, 2014, through July 31, 2017) Medicaid expansion.
- The department of human services shall expand medical assistance coverage as
 authorized by the federal Patient Protection and Affordable Care Act [Pub. L. 111-148],
 as amended by the Health Care and Education Reconciliation Act of 2010 [Pub.
 - L. 111-152] to individuals under sixty-five years of age with income below one hundred thirty-eight percent of the federal poverty level, based on modified adjusted gross income.
 - The department of human services shall inform new enrollees in the medical
 assistance program that benefits may be reduced or eliminated if federal participation
 decreases or is eliminated.
 - 3. The department shall implement the <u>medical assistance</u> expansion by bidding through private carriers or utilizing the health insurance exchange. The contract between the department and the private carrier must:
 - a. Provide a reimbursement methodology for all medications and dispensing fees which identifies the minimum amount paid to pharmacy providers for each medication. The reimbursement methodology, at a minimum, must:
 - (1) Be available on the department's website; and

1 Encompass all types of pharmacy providers regardless of whether the (2) 2 pharmacy benefits are being paid through the private carrier or contractor or 3 subcontractor of the private carrier under this section. 4 b. Provide full transparency of all costs and all rebates in aggregate. 5 Allow an individual to obtain medication from a pharmacy that provides mail order C. 6 service; however, the contract may not require mail order to be the sole method 7 of service. 8 d. Ensure that pharmacy services obtained in jurisdictions other than this state and 9 its three contiguous states are subject to prior authorization and reporting to the 10 department for eligibility verification. 11 Ensure the payments to pharmacy providers do not include a required payback e. 12 amount to the private carrier or one of the private carrier's contractors or 13 subcontractors which is not representative of the amounts allowed under the 14 reimbursement methodology provided in subdivision a. 15 f.<u>4.</u> Any information provided to the department of human services or any audit firm by a 16 pharmacy benefit manager under this section is confidential under section 44-04-17.1. 17 <u>5.</u> The department shall pursue a federal Medicaid waiver to allow the department to 18 implement premium cost-sharing for individuals enrolled in the medical assistance 19 expansion program. An enrollee's premium responsibility under this subsection may 20 not exceed five percent of household income. The department may not implement 21 premium cost-sharing under this subsection if the state's share of the annual cost of 22 administration of the premium cost-sharing exceeds the state's share of premium 23 collected.

NOTE: The amendment in subsection 5 directs the Department of Human Services to pursue a federal Medicaid waiver to implement premium cost-sharing for the Medicaid Expansion program. If the waiver is granted, the department may incur administrative expenses and require authorization of additional full-time equivalent positions.