

**FIRST ENGROSSMENT  
with Senate Amendments  
ENGROSSED HOUSE BILL NO. 1041**

Introduced by

Legislative Management

(Health Care Reform Review Committee)

1 A BILL for an Act to amend and reenact section 50-24.1-37 of the North Dakota Century Code,  
2 relating to pharmacy benefit management services for the medicaid expansion program; and to  
3 provide for application.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 50-24.1-37 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **50-24.1-37. (Effective January 1, 2014, through July 31, 2017) Medicaid expansion.**

8 1. The department of human services shall expand medical assistance coverage as  
9 authorized by the federal Patient Protection and Affordable Care Act [Pub. L. 111-148],  
10 as amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L.  
11 111-152] to individuals under sixty-five years of age with income below one hundred  
12 thirty-eight percent of the federal poverty level, based on modified adjusted gross  
13 income.

14 2. The department of human services shall inform new enrollees in the medical  
15 assistance program that benefits may be reduced or eliminated if federal participation  
16 decreases or is eliminated.

17 3. The department shall implement the expansion by bidding through private carriers or  
18 utilizing the health insurance exchange. The contract between the department and the  
19 private carrier must:

20 a. Provide a reimbursement methodology for all medications and dispensing fees  
21 which identifies the minimum amount paid to pharmacy providers for each  
22 medication. The reimbursement methodology, at a minimum, must:

23 (1) Be available on the department's website; and

- 1                   (2) Encompass all types of pharmacy providers regardless of whether the  
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           c. Allow an individual to obtain medication from a pharmacy that provides mail order  
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           e. Ensure the payments to pharmacy providers do not include a required payback  
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. Any information provided to the department of human services or any audit firm  
16                         by a pharmacy benefit manager under this section is confidential under section  
17                         44-04-17.1.

18           **SECTION 2. APPLICATION.** This Act applies to a contract entered or renewed on or after  
19 the effective date of this Act.