

SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION

S.F. No. 5123

(SENATE AUTHORS: MANN)

DATE	D-PG	OFFICIAL STATUS
03/20/2024	12450	Introduction and first reading Referred to Health and Human Services

1.1A bill for an act

1.2relating to human services; requiring the commissioner of human services to

1.3establish a directed pharmacy dispensing payment to improve and maintain access

1.4to pharmaceutical services; appropriating money; amending Minnesota Statutes

1.52022, section 256B.69, by adding a subdivision.

1.6BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7Section 1. Minnesota Statutes 2022, section 256B.69, is amended by adding a subdivision

1.8to read:

1.9Subd. 6h. **Directed pharmacy dispensing payment.** (a) The commissioner shall provide

1.10a directed pharmacy dispensing payment of \$4.50 per filled prescription to eligible outpatient

1.11retail pharmacies in Minnesota to improve and maintain access to pharmaceutical services

1.12in rural and underserved areas of the state. Managed care and county-based purchasing

1.13plans delivering services under sections 256B.69 or 256B.692, and any pharmacy benefit

1.14managers under contract with these entities, must pay the directed pharmacy dispensing

1.15payment to eligible outpatient retail pharmacies for drugs dispensed to medical assistance

1.16enrollees. The directed pharmacy dispensing payment is in addition to, and must not supplant

1.17or reduce, any other dispensing fee paid by these entities to the pharmacy. Entities paying

1.18the directed pharmacy dispensing payment must not reduce other payments to the pharmacy

1.19as a result of payment of the directed pharmacy dispensing payment.

1.20(b) For purposes of this subdivision, "eligible outpatient retail pharmacy" means an

1.21outpatient retail pharmacy licensed under chapter 151 that is not owned, either directly or

1.22indirectly or through an affiliate or subsidiary, by a pharmacy benefit manager licensed

1.23under chapter 62W or a health carrier, as defined in section 62A.011, subdivision 2, and

1.24that:

(1) is located in a medically underserved area or primarily serves a medically underserved population, as defined by the United States Department of Health and Human Services Health Resources and Services Administration under United States Code, title 42, section 254; or

(2) shares common ownership with 12 or fewer Minnesota pharmacies.

(c) In order to receive the directed pharmacy dispensing payment, a pharmacy must submit to the commissioner a form, developed by the commissioner, attesting that the pharmacy meets the requirements of paragraph (b).

(d) The commissioner shall set and adjust the amount of the directed pharmacy dispensing payment to reflect the available state and federal funding.

(e) Managed care and county-based purchasing plans, and any pharmacy benefit managers under contract with these entities, shall pay the directed pharmacy dispensing payment to eligible outpatient retail pharmacies. The commissioner shall monitor the effect of this requirement on access to pharmaceutical services in rural and underserved areas of the state. If, for any contract year, federal approval is not received for this subdivision, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect removal of this subdivision. Contracts between managed care plans and county-based purchasing plans, and any pharmacy benefit managers under contract with these entities, and providers to whom this subdivision applies, must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this subdivision. This subdivision expires if federal approval is not received for this subdivision at any time.

**EFFECTIVE DATE.** This section is effective July 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 2. **APPROPRIATION.**

\$..... in fiscal year 2025 is appropriated from the general fund to the commissioner of human services to provide directed pharmacy dispensing payments under Minnesota Statutes, section 256B.69, subdivision 6h. This appropriation is added to the base.