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A bill to be entitled

An act relating to the state employees' prescription drug program; amending s. 110.12315, F.S.; requiring the Department of Management Services to implement formulary management cost-saving measures; providing requirements for such measures; amending ch. 99-255, Laws of Florida; removing a provision that prohibits the department from implementing a restricted prescription drug formulary or prior authorization program in the state employees' prescription drug program; providing an effective date.

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

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

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

(1) The department shall allow prescriptions written by health care providers under the plan to be filled by any

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licensed pharmacy <u>and reimbursed</u> pursuant to <u>subsection (2)</u> <del>contractual claims-processing provisions</del>. Nothing in this section may be construed as prohibiting a mail order prescription drug program distinct from the service provided by retail pharmacies.

- (2) In providing for reimbursement of pharmacies for prescription <u>drugs and supplies</u> medicines dispensed to members of the state group health insurance plan and their dependents under the state employees' prescription drug program:
- (a) Retail, mail order, and specialty pharmacies participating in the program must be reimbursed at a <u>rate</u>

  <u>established by contract and uniform rate and subject to uniform conditions</u>, according to the terms and conditions of the plan.
- (b) There shall be a 30-day supply limit for retail pharmacy fills and a prescription card purchases and 90-day supply limit for mail order fills and retail pharmacy fills by retail pharmacies that participate in the 90-day supply network or mail order prescription drug purchases.
- (c) The <del>current</del> pharmacy dispensing fee <u>shall be</u> negotiated by the department <del>remains in effect</del>.
- (d) The department shall establish the reimbursement schedule for prescription drugs and supplies dispensed under the program. The reimbursement rate for a prescription drug or supply must be based on the cost of the generic equivalent drug if a generic equivalent exists, unless the physician, advanced

prescribing the drug or supply clearly states on the prescription that the brand name drug or supply is medically necessary or that the product is included in the formulary of drug products that may not be interchanged pursuant to chapter 465, in which case reimbursement must be based on the cost of the brand name drug or supply as specified in the reimbursement schedule.

- (3) The department shall maintain the generic, preferred brand name, and nonpreferred brand name drug and supply lists to be used in the administration of the state employees' prescription drug program.
- (4) The department shall maintain a list of maintenance drugs and supplies.
- (a) Preferred provider organization health plan members may have prescriptions for maintenance drugs and supplies filled up to three times as an up to 30-day supply through a retail pharmacy; thereafter, prescriptions for the same maintenance drug or supply must be filled as an up to 90-day supply through the department's contracting mail order pharmacy or through a participating 90-day retail pharmacy.
- (b) Health maintenance organization health plan members may have prescriptions for maintenance drugs and supplies filled as an up to 90-day supply either through a mail order pharmacy or through a participating 90-day retail pharmacy.

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

- (6) The department shall conduct a prescription utilization review program. In order to participate in the state employees' prescription drug program, retail pharmacies dispensing prescription drugs to members of the state group health insurance plan or their covered dependents, or to subscribers of a health maintenance organization plan under the state group insurance program or their covered dependents, shall make their records available for such review.
- (7) The department shall implement the following costsaving measures which shall not restrict access to the most clinically appropriate, clinically effective, and lowest net cost prescription drugs and supplies:
- (a) Formulary management. Prescription drugs and supplies shall be subject to formulary inclusion and exclusion.

  Prescription drugs and supplies that are excluded may be made available to an individual member of the state employee prescription drug program or their covered dependents for inclusion by medical necessity review.
- (b) Adjustments as may be required to balance program funding within appropriations provided.

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

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

(5) The Department of Management Services shall implement such additional cost-saving measures and adjustments as may be required to balance program funding within appropriations provided, including a trial or starter dose program and

126	dispensing of long-term-maintenance medication in lieu of acute
127	therapy medication.
128	(8)(6) Participating pharmacies must use a point-of-sale
129	device or an online computer system to verify a participant's
130	eligibility for coverage. The state is not liable for
131	reimbursement of a participating pharmacy for dispensing
132	prescription drugs and supplies to any person whose current
133	eligibility for coverage has not been verified by the state's
134	contracted administrator or by the Department of Management
135	Services.
136	$\underline{(9)}$ (7) Under the state employees' prescription drug
137	program copayments must be made as follows:
138	(a) Effective <u>July 1, 2017</u> <del>January 1, 2006</del> , for the State
139	Group Health Insurance Standard Plan:
140	1. For an up to $30-day$ supply of a generic drug at a
141	retail pharmacy with card
142	2. For an up to $30$ -day supply of a preferred brand name
143	drug at a retail pharmacy with card
144	3. For an up to 30-day supply of a nonpreferred brand name
145	drug at a retail pharmacy with card
146	4. For an up to 90-day supply of a generic drug from a
147	mail order pharmacy or up to a 90-day supply of a generic drug
148	at a retail pharmacy that participates in a 90-day supply
149	<u>network</u> <del>drug</del>
150	5. For <u>an up to 90-day supply of a</u> preferred brand name

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151	drug from a mail order pharmacy or up to a 90-day supply of a
152	preferred brand name drug at a retail pharmacy that participates
153	<u>in a 90-day supply network</u> drug
154	6. For an up to 90-day supply of a nonpreferred brand name
155	drug from a mail order pharmacy or up to a 90-day supply of a
156	nonpreferred brand name drug at a retail pharmacy that
157	participates in a 90-day supply network drug\$100 \$80.
158	(b) Effective <u>July 1, 2017</u> <del>January 1, 2006</del> , for the State
159	Group Health Insurance High Deductible Plan:
160	1. Retail Coinsurance for an up to 30-day supply of a
161	generic drug at a retail pharmacy with card30%.
162	2. Retail Coinsurance for an up to 30-day supply of a
163	preferred brand name drug at a retail pharmacy with card30%.
164	3. Retail Coinsurance for an up to 30-day supply of a
165	nonpreferred brand name drug at a retail pharmacy with card50%.
166	4. Mail order Coinsurance for an up to 90-day supply of a
167	generic drug from a mail order pharmacy or up to a 90-day supply
168	of a generic drug at a retail pharmacy that participates in a
169	90-day supply network30%.
170	5. <del>Mail order</del> Coinsurance for <u>an up to 90-day supply of a</u>
171	preferred brand name drug from a mail order pharmacy or up to a
172	90-day supply of a preferred brand name drug at a retail
173	pharmacy that participates in a 90-day supply network30%.
174	6. Mail order Coinsurance for an up to 90-day supply of a
175	nonpreferred brand name drug from a mail order pharmacy or up to

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1/6	a 90-day supply of a nonpreferred brand name drug at a retail
177	pharmacy that participates in a 90-day supply network50%.
178	(c) The Department of Management Services shall create a
179	preferred brand name drug list to be used in the administration
180	of the state employees' prescription drug program.
181	Section 2. Section 8 of chapter 99-255, Laws of Florida,
182	is amended to read:
183	Section 8. The Department of Management Services shall not
184	implement a prior authorization program or a restricted
185	formulary program that restricts a non-HMO enrollee's access to
186	prescription drugs beyond the provisions of paragraph (b)
187	related specifically to generic equivalents for prescriptions
188	and the provisions in paragraph (d) related specifically to
189	starter dose programs or the dispensing of long-term maintenance
190	medications. The prior authorization program expanded pursuant
191	to section 8 of the 1998-1999 General Appropriations Act is
192	hereby terminated. If this section conflicts with any General
193	Appropriations Act or any act implementing a General
194	Appropriations Act, the Legislature intends that the provisions
195	of this section shall prevail. This section shall take effect
196	upon becoming law.
197	Section 4. This act shall take effect July 1, 2017.

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CODING: Words stricken are deletions; words underlined are additions.