

SENATE, No. 2829

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED JUNE 13, 2022

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

SYNOPSIS

Requires hiring of vendor to manage Medicaid Multi-State Pooling Supplemental Rebate Agreement and associated uniform Preferred Drug List.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning Medicaid and the cost of prescription drugs and
2 supplementing Title 30 of the Revised Statutes.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. a. As used in this section:

8 "Board" means the Drug Utilization Review Board established
9 pursuant to section 2 of P.L.1998, c.41 (C.30:4D-17.17a) in
10 connection with State pharmaceutical benefits programs.

11 "Department" means the Department of Human Services.

12 "Division" means the Division of Medical Assistance and Health
13 Services in the Department of Human Services.

14 "Medicaid" means the Medicaid program established pursuant to
15 P.L.1968, c.413 (C.30:4D-1 et seq.).

16 b. Notwithstanding the provisions of any other law to the
17 contrary, the division shall establish and maintain a third-party
18 contract with a single vendor for the vendor to manage the
19 operations of a Multi-State Pooling Supplemental Rebate
20 Agreement, and the associated uniform Preferred Drug List, under
21 the Medicaid program, for the duration of such programs, which
22 shall include the following services provided by the vendor:

23 (1) assistance to the department in evaluating the financial and
24 clinical implications of uniform Preferred Drug List implementation
25 on various drug classes;

26 (2) support to the board, and, as appropriate, to other State
27 clinical committees in the form of clinical recommendations and
28 other related services;

29 (3) education and training for patients, prescribers, and health
30 insurance plans as determined by the department;

31 (4) data integration between fee-for-service systems and
32 managed care systems;

33 (5) access to pooled Medicaid pharmaceutical manufacturer
34 supplemental rebate agreements across drug classes;

35 (6) centralized negotiation, invoicing, reconciling, and rebate
36 collection, including dispute resolution services on behalf of the
37 State; and

38 (7) any other services as determined by the department.

39 c. The contract with the vendor shall be established in an
40 expedited fashion, without the need for formal advertisement, and
41 through the solicitation of proposals from vendors who provide
42 professional services. The division shall consider price, prior
43 experience, and other relevant factors in selecting a vendor.

44 d. Notwithstanding the provisions of any other law to the
45 contrary, in order to effectuate the provisions of this section in an
46 expedited manner, the following provisions shall be deemed
47 modifications to law and to corresponding regulations for the
48 purposes of this act only:

1 (1) the timeframes for challenging the specifications shall be
2 modified as determined by the division;

3 (2) in lieu of advertising in accordance with sections 2, 3, and 4
4 of P.L.1954, c.48 (C.52:34-7, C.52:34-8, and C.52:34-9), the
5 division shall advertise the request for proposals for the above
6 services and any addenda thereto on the division's website;

7 (3) the timeframes for submission under section 4 of P.L.2012,
8 c.25 (C.52:32-58) and section 1 of P.L.1977, c.33 (C.52:25-24.2)
9 shall be extended to prior to the issuance of a Notice of Intent to
10 Award; and

11 (4) the term "bids" in subparagraph (f) of subsection a. of
12 section 7 of P.L.1954, c.48 (C.52:34-12) shall not include pricing
13 which will be revealed to all responsive bidders during the
14 negotiation process.

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16 2. The Commissioner of Human Services may adopt rules and
17 regulations, in accordance with the "Administrative Procedure Act,"
18 P.L.1968, c.410 (C.52:14B-1 et seq.), and may waive any laws or
19 regulations, as necessary to effectuate the provisions of this act.

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21 3. This act shall take effect immediately.

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24 STATEMENT

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26 This bill requires the hiring of a vendor to manage the Medicaid
27 Multi-State Pooling Supplemental Rebate Arrangement program
28 and associated uniform Preferred Drug List for the NJ FamilyCare
29 program.

30 Under the bill, the Division of Medical Assistance and Health
31 Services in the Department of Human Services (division) is to
32 establish and maintain a third-party contract with a single vendor
33 for the vendor to manage the operations of a Medicaid Multi-State
34 Pooling Supplemental Rebate Arrangement and associated uniform
35 Preferred Drug List for the NJ FamilyCare program, for the
36 duration of such programs, which is to include the following
37 services provided by the vendor: (1) assistance to the Department
38 of Human Services (department) in evaluating the financial and
39 clinical implications of uniform Preferred Drug List implementation
40 on various drug classes; (2) support to the New Jersey Drug
41 Utilization Review Board, and, as appropriate, to other State
42 clinical committees in the form of clinical recommendations and
43 other related services; (3) education and training for patients,
44 prescribers, and health insurance plans as determined by the
45 department; (4) data integration between fee-for-service systems
46 and managed care systems; (5) access to pooled Medicaid
47 pharmaceutical manufacturer supplemental rebate agreements
48 across drug classes; (6) centralized negotiation, invoicing,

1 reconciling, and rebate collection, including dispute resolution
2 services on behalf of the State; and (7) any other services as
3 determined by the department.

4 The bill provides that the contract with the vendor is to be
5 established in an expedited fashion, without the need for formal
6 advertisement, and through the solicitation of proposals from
7 vendors who provide professional services. The division is to
8 consider price, prior experience, and other relevant factors in
9 selecting a vendor.

10 In order to effectuate the bill's provisions in an expedited
11 manner, the following provisions are to be deemed modifications to
12 law and corresponding regulations for the purposes of this bill only:
13 (1) the timeframes for challenging the specifications are to be
14 modified as determined by the division; (2) in lieu of advertising in
15 accordance with sections 2, 3, and 4 of P.L.1954, c.48 (C.52:34-7,
16 C.52:34-8, and C.52:34-9), the division is to advertise the request
17 for proposals for the above services and any addenda thereto on the
18 division's website; (3) the timeframes for submission under section
19 4 of P.L.2012, c.25 (C.52:32-58) and section 1 of P.L.1977, c.33
20 (C.52:25-24.2) are to be extended to prior to the issuance of a
21 Notice of Intent to Award; and (4) the term "bids" in subparagraph
22 (f) of subsection a. of section 7 of P.L.1954, c.48 (C.52:34-12) is
23 not to include pricing which will be revealed to all responsive
24 bidders during the negotiation process.

25 Under the bill, the Commissioner of Human Services may waive
26 any laws or regulations as necessary to effectuate the bill's
27 provisions.