

HOUSE BILL NO. 729

INTRODUCED BY T. WINTER

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING USE OF AN ALTERNATIVE PAYMENT METHOD FOR CERTAIN MEDICAID-COVERED PRESCRIPTION DRUGS; PROVIDING AN APPROPRIATION; AMENDING SECTION 53-6-115, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 53-6-115, MCA, is amended to read:

"53-6-115. Contracts with -- other agencies -- alternative payment methods. (1) The department of public health and human services may by suitable rules provide for contracting with any state or private agency for processing and payment of claims under the program of medical assistance, and the department may contract with one or more private or state agencies to provide any or all of the enumerated medical services.

(2) In order to provide for cost savings and increase access to prescription drugs, the department shall whenever possible use a subscription model as an alternative payment method for high-cost or specialty drugs that treat a specific disease or medical condition. A contract awarded under a subscription model must:

(a) require the contractor to deliver an unrestricted supply of the prescription drug for a specified period of years;

(b) cap the annual payment for the drug at the amount spent by the medicaid program on the drug in the fiscal year preceding the year in which the contract is awarded; and

(c) include the use of supplemental rebate agreements to meet the contract price."

NEW SECTION. Section 2. Appropriation. There is appropriated \$5,000 from the general fund to the department of administration for the biennium beginning July 1, 2019, to pay for the costs of preparing requests for proposals and awarding contracts for obtaining prescription drugs for the medicaid program using the subscription model provided for in 53-6-115.

NEW SECTION. Section 3. Effective date. [This act] is effective July 1, 2019.

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