

22103901D

HOUSE BILL NO. 591

Offered January 12, 2022

Prefiled January 11, 2022

A BILL to require the Secretary of Health and Human Resources to develop a plan to consolidate state agency prescription drug purchasing and reimbursement programs; report.

Patron—VanValkenburg

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. § 1. *That the Secretary of Health and Human Resources (the Secretary) shall develop a plan to consolidate state agency prescription drug purchasing and reimbursement programs to increase efficiency in prescription drug purchasing and reduce spending on prescription drugs. In developing such plan, the Secretary shall:*

1. Identify every state agency that purchases or provides reimbursement for prescription drugs and review the process by which such state agencies currently negotiate and arrange for the purchase of or reimbursement for prescription drugs;

2. Develop a list of prescription drugs currently purchased by state agencies or for which state agencies provide reimbursement that afford the greatest opportunity for reducing prescription drug spending through multi-agency group procurement, contracting and purchasing from or renegotiation of purchasing agreements with manufacturers. In developing such list, the Secretary shall:

a. Identify and prioritize consideration of (i) the 25 most expensive prescription drugs purchased or reimbursed by state agencies in the previous calendar year and (ii) the 25 prescription drugs with the highest total net spend among state agencies in the previous calendar year; and

b. If the Secretary does not include prescription drugs identified pursuant to subdivision a, include a brief explanation of why such drug was not included on the list required by this subdivision 2;

3. Develop a plan for transitioning all pharmacy services provided through the Commonwealth's program of medical assistance services administered by the Department of Medical Assistance Services to fee-for-service benefits to improve program efficiency and cost savings; and

4. Develop a plan for implementing group purchasing arrangements for prescription drugs purchased by state agencies or for which state agencies provide reimbursement, with priority given to prescription drugs identified pursuant to subdivision 2. Such plan shall include provisions for allowing and encouraging participation by local governments and private purchasers of prescription drugs that may benefit from participation in the Commonwealth's bulk prescription drug purchasing program.

§ 2. *The Secretary shall provide an interim report on the development of the plan to consolidate state agency prescription drug purchasing and reimbursement programs to the Governor and the General Assembly by November 1, 2022, which shall include a preliminary estimate of potential cost savings based on drugs identified in subdivision 2 of § 1, and a final report on the plan to consolidate state agency prescription drug purchasing and reimbursement programs to the Governor and the General Assembly by November 1, 2023, which shall include an updated estimate of potential cost savings based on drugs identified in subdivision 2 of § 1. Such reports shall include (i) options or recommendations regarding the office or agency of the Commonwealth best qualified to administer the group purchasing initiative on behalf of agencies that purchase or reimburse for prescription drugs and (ii) recommendations for any statutory, regulatory, policy, or budgetary changes necessary to implement the Secretary's plan to consolidate state agency prescription drug purchasing and reimbursement programs.*

INTRODUCED

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