

7279

I N S E N A T E

April 12, 2016

Introduced by Sen. HANNON -- read twice and ordered printed, and when printed to be committed to the Committee on Health

AN ACT to amend the public health law, in relation to establishing a Medicaid drug rebate remittance demonstration program

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. The public health law is amended by adding a new section
2 276-a to read as follows:
3 S 276-A. MEDICAID DRUG REBATE REMITTANCE DEMONSTRATION PROGRAM. 1. THE
4 DEPARTMENT SHALL ESTABLISH A MEDICAID DRUG REBATE REMITTANCE DEMON-
5 STRATION PROGRAM FOR THE PURPOSE OF WORKING COLLABORATIVELY WITH THIRD
6 PARTY VENDORS TO VALIDATE THE EXISTING MEDICAID DRUG REBATE CLAIMS AND
7 DETERMINE WHETHER THE DATA CONTAINS DUPLICATE CLAIMS OR CLAIMS ON WHICH
8 REBATES MAY ALREADY HAVE BEEN PAID ALL OR IN PART TO MEDICARE PART D
9 PLANS OR SOME OTHER THIRD PARTIES IN ORDER TO RECTIFY DISPUTED CLAIMS.
10 2. FOR THE PURPOSES OF THIS DEMONSTRATION PROGRAM, THE DEPARTMENT
11 SHALL PROVIDE UTILIZATION INFORMATION TYING TO INVOICES SENT TO PHARMA-
12 CEUTICAL MANUFACTURERS, WHICH HAVE ENTERED INTO A REBATE AGREEMENT WITH
13 THE DEPARTMENT OR WITH THE FEDERAL SECRETARY OF HEALTH AND HUMAN
14 SERVICES ON BEHALF OF THE DEPARTMENT UNDER SECTION 1927 OF THE FEDERAL
15 SOCIAL SECURITY ACT, AND TO THIRD PARTY DATA VENDORS, FOR THE PURPOSE OF
16 VALIDATING CLAIMS SUBMITTED UNDER SUCH REBATE AGREEMENT OR PROGRAM
17 INCLUDING BUT NOT LIMITED TO, THE PROGRAM FOR ELDERLY PHARMACEUTICAL
18 INSURANCE COVERAGE, AND THE MEDICAID DRUG REBATE PROGRAM IN GENERAL FOR
19 THE PERIOD FROM JANUARY FIRST, TWO THOUSAND FOURTEEN THROUGH JUNE THIR-
20 TIETH, TWO THOUSAND SEVENTEEN. SUCH UTILIZATION INFORMATION SHALL
21 INCLUDE, BUT NOT BE LIMITED TO: PRESCRIPTION NUMBERS, NATIONAL DRUG
22 CODES, NUMBER OF UNITS DISPENSED, CLAIMS PAID DATE, DATE OF SERVICE,
23 PRESCRIBING PHYSICIAN STATE IDENTIFICATION NUMBER, AMOUNT BILLED FOR
24 EACH PRESCRIPTION, AMOUNT OF REIMBURSEMENT RECEIVED FOR EACH
25 PRESCRIPTION (INCLUDING ANY ADJUSTMENT CODES), DISPENSING PHARMACY'S
26 STATE IDENTIFICATION NUMBER, DISPENSING FEE, ANY APPLICABLE THIRD-PARTY
27 PAYMENTS, APPLICABLE CO-PAYMENTS, REFILL CODE, INTERNAL CLAIM NUMBER OF
28 THE PRESCRIPTION, DAYS SUPPLY, J-CODE CLAIMS INCLUDING SINGLE SOURCE AND

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [] is old law to be omitted.

LBD14915-01-6

1 MULTISOURCE PHYSICIAN ADMINISTERED DRUGS, NPI NUMBERS, MCO PLAN IDENTIFI-
2 FIER, MCO PLAN NAME, AND THE NAME, ADDRESS, CITY, STATE AND ZIP CODE OF
3 THE PRESCRIBING PRACTITIONER AND PHARMACY. THE PRESCRIPTION DRUG UTILI-
4 ZATION INFORMATION SHALL BE PROVIDED TO THE THIRD PARTY DATA VENDORS AS
5 SOON AS PRACTICABLE FOLLOWING ESTABLISHMENT OF THIS PROGRAM. THERE SHALL
6 BE NO COST TO THE DEPARTMENT FOR SERVICES PERFORMED BY THIRD PARTY DATA
7 VENDORS. ANY PRESCRIPTION DRUG UTILIZATION DATA PROVIDED TO THIRD PARTY
8 DATA VENDORS UNDER THIS DEMONSTRATION PROGRAM SHALL NOT BE SHARED WITH
9 OTHER PARTIES, EXCEPT PARTICIPATING DRUG MANUFACTURERS WHO HAVE ENTERED
10 INTO A REBATE AGREEMENT WITH THE DEPARTMENT OR WITH THE FEDERAL SECRE-
11 TARY OF HEALTH AND HUMAN SERVICES ON BEHALF OF THE DEPARTMENT UNDER
12 SECTION 1927 OF THE FEDERAL SOCIAL SECURITY ACT. UTILIZATION DATA
13 PROVIDED UNDER THIS SECTION SHALL BE USED FOR THE FOLLOWING PURPOSE:
14 REBATE VALIDATION SERVICES FOR THE BENEFIT OF DRUG COMPANIES AND
15 STATE/FEDERAL AGENCIES INCLUDING DRUG USE TREND REVIEW. INDIVIDUAL
16 PATIENT IDENTIFYING INFORMATION SHALL BE KEPT CONFIDENTIAL BY ANY PERSON
17 OR ENTITY TO WHOM OR TO WHICH IT IS PROVIDED UNDER THIS SECTION. THE
18 DISCLOSURE OF THE FOREGOING DATA BY THE DEPARTMENT SHALL BE CONSIDERED,
19 FOR PURPOSES OF SECTION THREE HUNDRED SIXTY-NINE OF THE SOCIAL SERVICES
20 LAW, TO BE DIRECTLY CONNECTED WITH THE ADMINISTRATION OF MEDICAL ASSIST-
21 ANCE FOR NEEDY PERSONS.

22 3. THE DEPARTMENT SHALL PROVIDE A REPORT ON THE RESULTS OF THE DEMON-
23 STRATION PROGRAM, WITH INPUT FROM STAKEHOLDERS, TO THE GOVERNOR, THE
24 DIRECTOR OF THE DIVISION OF BUDGET, THE STATE COMPTROLLER AND THE LEGIS-
25 LATURE ON OR BEFORE DECEMBER THIRTY-FIRST, TWO THOUSAND SEVENTEEN. THE
26 REPORT SHALL INCLUDE FINDINGS AS TO THE DEMONSTRATION PROGRAM'S CONTRIB-
27 UTION TO IMPROVING THE ABILITY OF THE DEPARTMENT TO VALIDATE DRUG REBATE
28 CLAIMS AND RECTIFY DISPUTED CLAIMS. IN THE REPORT, THE DEPARTMENT SHALL
29 OFFER RECOMMENDATIONS AS TO WHETHER THE DEMONSTRATION PROGRAM SHOULD BE
30 EXTENDED, MODIFIED, ELIMINATED OR MADE PERMANENT.

31 S 2. This act shall take effect immediately.