

SENATE, No. 1175

STATE OF NEW JERSEY

217th LEGISLATURE

INTRODUCED FEBRUARY 8, 2016

Sponsored by:
Senator JOSEPH F. VITALE
District 19 (Middlesex)

SYNOPSIS

Requires coverage of medication therapy management in Medicaid and NJ FamilyCare.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning Medicaid and NJ FamilyCare 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. As used in this act:

8 “Division” means the Division of Medical Assistance and Health
9 Services in the Department of Human Services.

10 “Medicaid managed care contract” means a contract for the
11 provision of health care services by a managed care organization to
12 individuals eligible for the Medicaid program pursuant to P.L.1968,
13 c.413 (C.30:4D-1 et seq.) or the NJ FamilyCare program pursuant
14 to P.L.2005, c.156 (C.30:4J-8 et al.).

15 “Medication therapy management” means the systematic process
16 performed by a pharmacist or physician licensed pursuant to Title
17 45 of the Revised Statutes designed to optimize therapeutic
18 outcomes through improved medication use and reduced risk of
19 adverse drug events, including all of the following:

20 (1) a medication therapy review and in-person consultation
21 relating to all medications, vitamins, and herbal supplements
22 currently being taken by an individual;

23 (2) a medication action plan communicated to the individual or
24 the individual’s caretaker and the individual’s primary health care
25 provider or other appropriate prescriber of medication to address
26 safety issues, inconsistencies, duplicative therapy, omissions, and
27 medication costs; and

28 (3) documentation and follow-up with the individual or the
29 individual’s caretaker to ensure consistent levels of pharmacy
30 services and positive outcomes, including, as deemed necessary to
31 maintain or improve positive outcomes, follow-up discussions with
32 the individual’s primary health care provider or other appropriate
33 prescriber.

34

35 2. a. A Medicaid managed care contract shall include
36 medication therapy management services as a required benefit for
37 any enrollee:

38 (1) who takes three or more prescription drugs to treat or
39 prevent two or more chronic medical conditions;

40 (2) whose primary health care provider or other appropriate
41 prescriber identifies the individual as having a prescription drug
42 therapy problem and refers the individual to a pharmacist for
43 medication therapy management; or

44 (3) who meets other criteria established by the Commissioner of
45 Human Services.

46 b. The Medicaid and NJ FamilyCare fee-for-service programs
47 shall cover medication therapy management services for a fee-for-

1 service recipient who meets the eligibility criteria in subsection a.
2 of this section.

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4 3. a. The Medicaid managed care contract shall require that the
5 managed care organization enter into a contract with a third party
6 entity to administer the medication therapy management program,
7 which shall be approved by the division. The contract between the
8 managed care organization and the third party entity shall include
9 the following requirements:

10 (1) The third party entity shall guarantee demonstrated annual
11 savings, including savings associated with cost avoidance at least
12 equal to the amount owed to the third party entity under the
13 contract, with any shortfall amount refunded to the State. Prior to
14 entering into the contract, the managed care organization, the third
15 party entity, and the division shall agree on the terms, conditions,
16 and applicable measurement standards associated with the
17 demonstration of savings, which shall be specified in the contract.

18 (2) The third party entity and the managed care organization
19 shall report annually to the division on the costs, savings, cost
20 avoidance, return on investment, and change in patient outcomes
21 related to the provision of medication therapy management services.

22 (3) The third party entity shall contract with pharmacies or
23 pharmacists to provide medication therapy management services.
24 Medication therapy management services required by the Medicaid
25 managed care contract shall not be provided by employees of the
26 managed care organization or the third party entity.

27 b. The division shall enter into a contract with a third party
28 entity to administer the medication therapy management program
29 for Medicaid or NJ FamilyCare fee-for-service recipients. The
30 contract shall include the same requirements as the contract
31 between a Medicaid managed care organization and a third party
32 entity pursuant to subsection a. of this section.

33

34 4. A Medicaid managed care contract and the Medicaid and NJ
35 FamilyCare fee-for-service programs shall require that fees paid for
36 medication therapy management services to the third party entity
37 contracted to administer the program are reasonable and based on
38 the resources and time required to provide the service. Fees for
39 pharmacist-delivered medication therapy management services shall
40 be separate from reimbursements for prescription drug products or
41 dispensing services.

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43 5. If any part of a medication action plan developed by a
44 pharmacist incorporates services that are outside a pharmacist's
45 scope of practice as defined by P.L.2003, c.280 (C.45:14-40 et
46 seq.), including the initiation of therapy, modification of dosages,
47 therapeutic interchange, or changes in drug therapy, the express
48 authorization of the individual's primary health care provider or

1 other appropriate prescriber shall be obtained prior to making any
2 changes to the individual's medication treatment regimen and shall
3 be documented in the patient's pharmacy records.

4
5 6. The Commissioner of Human Services shall adopt rules and
6 regulations, pursuant to the "Administrative Procedure Act,"
7 P.L.1968, c.410 (C.52:14B-1 et seq.), in order to effectuate the
8 purposes of this act.

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10 7. This act shall take effect on the first day of the seventh
11 month next following the date of enactment, and shall apply to any
12 Medicaid managed care contract executed on or after the effective
13 date of this act, except that the Commissioner of Human Services
14 may take such anticipatory administrative action in advance thereof
15 as shall be necessary for the implementation of this act.

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18 STATEMENT

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20 This bill requires the coverage of medication therapy
21 management services in Medicaid and NJ FamilyCare.

22 The bill defines medication therapy management as the
23 systematic process performed by a pharmacist or designed to
24 optimize therapeutic outcomes through improved medication use
25 and reduced risk of adverse drug events, including:

- 26 • a medication therapy review and in-person consultation relating
27 to all medications, vitamins, and herbal supplements currently
28 being taken by an individual;
29 • a medication action plan communicated to the individual or the
30 individual's caretaker and the individual's primary health care
31 provider or other appropriate prescriber of medication to address
32 safety issues, inconsistencies, duplicative therapy, omissions,
33 and medication costs; and
34 • documentation and follow-up with the individual or the
35 individual's caretaker to ensure consistent levels of pharmacy
36 services and positive outcomes, including as deemed necessary
37 to maintain or improve positive outcomes, follow-up discussions
38 with the individual's primary health care provider or other
39 appropriate prescriber.

40 The bill requires that Medicaid and NJ FamilyCare cover
41 medication therapy management services for enrollees taking at
42 least three different prescription drugs for at least two chronic
43 medical conditions, whose primary health care provider or other
44 appropriate prescriber identifies the individual as having a
45 prescription drug therapy problem and refers the individual to a
46 pharmacist for medication therapy management, or who meets other
47 criteria established by the Commissioner of Human Services.

1 The bill requires that a Medicaid managed care organization
2 contract with a third party entity to administer a medication therapy
3 management program and that the Division of Medical Assistance
4 and Health Services contract with a third party entity to administer
5 the program for fee-for-service recipients. The contract is to
6 include the following requirements:

- 7 • The third party entity is to guarantee demonstrated annual
8 savings, including savings associated with cost avoidance at
9 least equal to the amount owed to the third party entity under the
10 contract, with any shortfall amount refunded to the State.
- 11 • The third party entity, and the managed care organization, if
12 applicable, is to report annually to the division on the costs,
13 savings, cost avoidance, return on investment, and change in
14 patient outcomes related to the provision of medication therapy
15 management services.
- 16 • The third party entity is to contract with pharmacies or
17 pharmacists to provide medication therapy management
18 services. Medication therapy management services required by
19 the Medicaid managed care contract are not to be provided by
20 employees of the managed care organization or the third party
21 entity.

22 The bill requires that fees paid for medication therapy
23 management services are reasonable and based on the resources and
24 time required to provide the service. Fees for pharmacist-delivered
25 medication therapy management services are to be separate from
26 reimbursements for prescription drug products or dispensing
27 services.

28 The bill specifies that if any part of a medication action plan
29 developed by a pharmacist incorporates services that are outside a
30 pharmacist's scope of practice, the express authorization of the
31 individual's primary health care provider or other appropriate
32 prescriber is to be obtained prior to making any changes to the
33 individual's medication treatment regimen.

34 The bill takes effect on the first day of the seventh month
35 following the date of enactment, and applies to any Medicaid
36 managed care contract executed on or after the effective date, but
37 authorizes the Commissioner of Human Services to take prior
38 administrative action as necessary for its implementation.