

# SENATE, No. 2749

## STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED NOVEMBER 3, 2016

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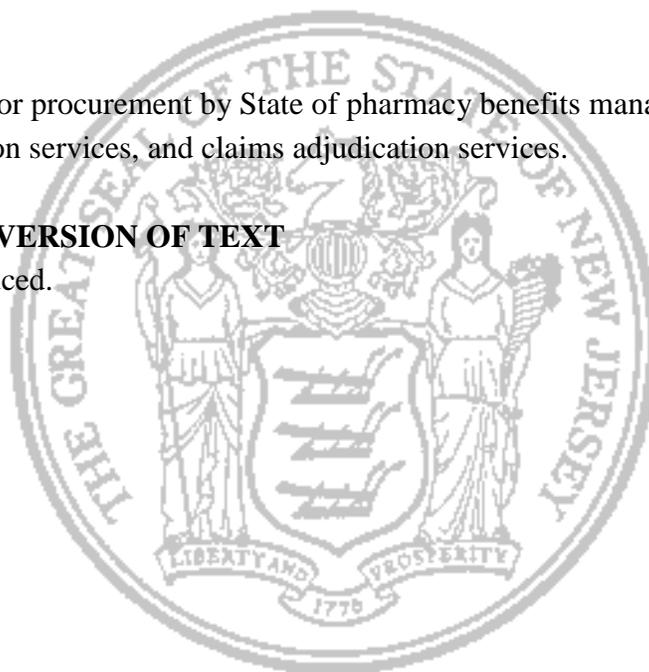
**Senators Madden, Stack, Turner and Assemblywoman Pinkin**

**SYNOPSIS**

Provides for procurement by State of pharmacy benefits manager, automated reverse auction services, and claims adjudication services.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 11/22/2016)**

1 AN ACT providing for the procurement by the State of a pharmacy  
2 benefits manager, automated reverse auction services, and claims  
3 adjudication services.

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

7  
8 1. a. Notwithstanding the provisions of any other law to the  
9 contrary, a contract for the services of a Pharmacy Benefits  
10 Manager (PBM) for the State Health Benefits Plan (SHBP) or the  
11 School Employees' Health Benefits Plan (SEHBP) shall be  
12 procured in an expedited process and in the manner provided by this  
13 section.

14 b. The Division of Purchase and Property in the Department of  
15 the Treasury shall procure, without the need for formal  
16 advertisement, but through the solicitation of proposals from  
17 professional services vendors, from qualified vendors the following  
18 three services based upon price and other factors:

19 (1) technical assistance to the State to evaluate the qualifications  
20 of bidders on a PBM procurement and to provide online automated  
21 reverse auction services to support the Department of the Treasury  
22 in comparing the pricing for the PBM procurement. The technology  
23 platform shall, if possible, utilize a re-pricing of PBM proposals for  
24 the SHBP and SEHBP pharmacy spending utilizing code-based  
25 classification of drugs from nationally-accepted data sources of  
26 comparisons of the costs of PBM proposals;

27 (2) real-time, electronic, line-by-line, claim-by-claim review of  
28 invoiced PBM pharmacy claims using an automated claims  
29 adjudication technology platform that allows for online comparison  
30 of PBM invoices and auditing of other aspects of the services  
31 provided by the PBM; and

32 (3) a PBM and related services.

33 c. Notwithstanding the provisions of any other law to the  
34 contrary, for the purpose of expediting the procurements, the  
35 following provisions shall apply as modifications to law or  
36 regulation that may interfere with the expedited award of the above  
37 services:

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

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

44 (3) the period of time that the State Comptroller has to review  
45 the request for proposals for these professional services  
46 procurements for compliance with applicable public contracting  
47 laws, rules and regulations, pursuant to section 10 of P.L.2007, c.52

- 1 (C.52:15C-10), shall be 10 business days or less if practicable, as  
2 determined by the State Comptroller;
- 3 (4) the timeframes for submission under section 4 of P.L.2012,  
4 c.25 (C.52:32-58) and section 1 of P.L.1977, c.33 (C.52:25-24.2)  
5 shall be extended to prior to the issuance of a Notice of Intent to  
6 Award;
- 7 (5) the provision of section 1 of P.L. 2005, c.92 (C.52:34-13.2)  
8 shall not apply to technical and support services, under this section,  
9 provided by a vendor using a “24/7 follow-the-sun model” as long  
10 as the contractor is able to provide such services in the United  
11 States during the business day; and
- 12 (6) the term “bids” in subparagraph (f) of subsection a. of section  
13 7 of P.L.1954, c.48 (C.52:34-12) shall not include pricing which  
14 will be revealed to all responsive bidders during the negotiation  
15 process.
- 16 d. The division may, to the extent necessary, waive or modify  
17 any other law or regulation that may interfere with the expeditious  
18 procurement of these services.
- 19 e. “Reverse auction” means an automated bidding process  
20 conducted online that starts with an opening price and allows  
21 qualified bidders to counter offer a lower price, for as many rounds  
22 of bidding as determined by the division.
- 23
- 24 2. This act shall take effect immediately and shall expire after  
25 the award of the next PBM contract.
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28 STATEMENT  
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30 This bill provides that the State will procure, in an expedited  
31 manner, professional services contracts for:

32 technical assistance to evaluate the qualifications of bidders on a  
33 Pharmacy Benefits Manager (PBM) procurement and online  
34 automated reverse auction services to support comparison of the  
35 pricing for the PBM procurement;

36 real-time, electronic, line-by-line, claim-by-claim review of  
37 invoiced PBM pharmacy claims using an automated claims  
38 adjudication technology platform that allows for online comparison  
39 of PBM invoices and auditing of other aspects of the services  
40 provided by the PBM; and

41 a PBM for the State Health Benefits Plan or the School  
42 Employees’ Health Benefits Plan.

43 The bill authorizes the Division of Purchase and Property in the  
44 Department of the Treasury, to the extent necessary, to waive or  
45 modify any other law or regulation that may interfere with the  
46 procurement of these services.

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1       It is anticipated that the assistance of these professional services  
2 vendors and this method of awarding a pharmacy benefits manager  
3 contract will save substantial amounts of public funds.

4       The bill will take effect immediately and expire after the next  
5 PBM contract is awarded.