

**SENATE, No. 961**

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**STATE OF NEW JERSEY**

**218th LEGISLATURE**

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INTRODUCED JANUARY 16, 2018

**Sponsored by:**

**Senator JOSEPH F. VITALE**

**District 19 (Middlesex)**

**Senator VIN GOPAL**

**District 11 (Monmouth)**

**SYNOPSIS**

Requires all Medicaid managed care organizations to permit all pharmacies in State to dispense prescriptions for all covered medications.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 1/23/2018)**

1 AN ACT concerning the dispensation of prescriptions covered by  
2 Medicaid managed care organizations and supplementing Title  
3 30 of the Revised Statutes.

4

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

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8 1. As used in this act:

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

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

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17 2. A Medicaid managed care contract shall include pharmacy  
18 choice as a required benefit for any enrollee, to be provided as  
19 follows:

20 a. any Medicaid managed care organization operating in this  
21 State shall permit all pharmacies in this State to dispense  
22 prescriptions for all covered medications regardless of the cost of  
23 medication or other criteria developed by the carrier;

24 b. a pharmacy in this State shall be required to accept the terms  
25 and conditions of the plan, but in no case shall the pharmacy be  
26 required to dispense medication at a rate below the pharmacy's cost  
27 of acquisition; and

28 c. the terms and conditions must be designed to allow fair  
29 participation by all pharmacies.

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31 3. To ensure that enrollees have access to a competitive  
32 selection of providers, a Medicaid managed care organization shall:

33 a. permit the enrollee to choose any qualified pharmacy  
34 provided that the qualified pharmacy is a contracting provider;

35 b. provide that no pharmacy shall be denied the right to  
36 participate as a contracting provider, under the same terms and  
37 conditions currently applicable to all other contracting pharmacies,  
38 provided that the pharmacy accepts the terms and conditions of the  
39 Medicaid managed care contract; and

40 c. provide that no copayment, fee, or other condition shall be  
41 imposed upon an enrollee selecting a pharmacy that is not also  
42 equally imposed upon all enrollees selecting a qualified pharmacy.

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

1       5. This act shall take effect on the first day of the seventh  
2 month next following the date of enactment, and shall apply to any  
3 Medicaid managed care contract executed on or after the effective  
4 date of this act, except that the Commissioner of Human Services  
5 shall take such anticipatory administrative action in advance thereof  
6 as shall be necessary for the implementation of this act.

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9                               STATEMENT

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11       This bill provides that a Medicaid managed care contract shall  
12 include pharmacy choice as a required benefit for any enrollee.  
13 Under the bill, any Medicaid managed care organization (MCO)  
14 operating in the State would permit all pharmacies in the State to  
15 dispense prescriptions for all covered medications regardless of the  
16 cost of medication or other criteria developed by the carrier. A  
17 pharmacy in this State would be required to accept the terms and  
18 conditions of the plan, but in no case would the pharmacy be  
19 required to dispense medication at a rate below the pharmacy's cost  
20 of acquisition. The terms and conditions must be designed to allow  
21 fair participation by all pharmacies.

22       To ensure that enrollees have access to a competitive selection of  
23 providers, the bill requires a Medicaid MCO to permit the enrollee  
24 to choose any qualified pharmacy provided that the qualified  
25 pharmacy is a contracting provider with the MCO. Additionally,  
26 the bill provides that no pharmacy will be denied the right to  
27 participate as a contracting provider with an MCO, under the same  
28 terms and conditions currently applicable to all other contracting  
29 providers, provided that the pharmacy accepts the terms and  
30 conditions of the Medicaid managed care contract. Furthermore, the  
31 bill prohibits the Medicaid MCO from imposing a copayment, fee,  
32 or other condition upon an enrollee selecting a pharmacy that is not  
33 also equally imposed upon all enrollees selecting a qualified  
34 provider.

35       These conditions would apply to any Medicaid managed care  
36 contract executed on or after the effective date of the bill.