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AN ACT
RELATING TO PROCUREMENT; ESTABLISHING THE INTERAGENCY
PHARMACEUTICALS PURCHASING COUNCIL; PROVIDING FOR COORDINATED
PROCUREMENT OF PHARMACEUTICALS AND PHARMACEUTICAL BENEFITS
AMONG CERTAIN STATE AGENCIES AND OTHER GOVERNMENTAL ENTITIES
AND FOR REPORTING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. INTERAGENCY PHARMACEUTICALS PURCHASING
COUNCIL--CREATION--MEMBERSHIP--DUTIES.--

A. The "interagency pharmaceuticals purchasing
council" is created and is administratively attached to the
general services department. The council shall:

(1) review and coordinate cost-containment
strategies for the procurement of pharmaceuticals and
pharmacy benefits and the pooling of risk for pharmacy
services by the constituent agencies;

(2) identify ways to leverage constituent
agencies' pharmaceutical and pharmacy benefits procurement to
maximize the purchasing power of New Mexico residents
purchasing pharmaceuticals or pharmacy benefits in the
private sector; and

(3) identify other cost-saving opportunities
for New Mexico residents purchasing pharmaceuticals or
pharmacy benefits in the private sector.

1 B. Pursuant to its review of these strategies and
2 related data, the interagency pharmaceuticals purchasing
3 council shall decide by vote which cost-containment
4 strategies it will recommend. Constituent agencies shall
5 make their own procurement decisions. The secretary of
6 general services shall serve as director of the council and
7 shall be responsible for the coordination of the day-to-day
8 activities of the council.

9 C. The interagency pharmaceuticals purchasing
10 council shall be composed of the following eleven members
11 serving as voting, ex-officio members:

12 (1) the secretary of human services or the
13 secretary's designee;

14 (2) the secretary of health or the
15 secretary's designee;

16 (3) the secretary of children, youth and
17 families or the secretary's designee;

18 (4) the secretary of corrections or the
19 secretary's designee;

20 (5) the director of the risk management
21 division of the general services department or the director's
22 designee;

23 (6) the executive director of the retiree
24 health care authority or the executive director's designee;

25 (7) the executive director of the public

1 school insurance authority or the executive director's
2 designee;

3 (8) the superintendent of the Albuquerque
4 public school district or the superintendent's designee;

5 (9) the president of the university of
6 New Mexico or the president's designee; and

7 (10) two members, appointed by the governor,
8 who are officers of, or representative of organizations that
9 represent, county, municipal or local government entities
10 that participate in consolidated purchasing of
11 pharmaceuticals or pharmacy benefits with other constituent
12 agencies.

13 D. The interagency pharmaceuticals purchasing
14 council shall convene its first meeting by September 1, 2019
15 at the call of the secretary of general services. After the
16 initial meeting of the council, it shall meet at least once
17 quarterly at the call of the secretary of general services.
18 Meetings of the council shall be subject to the Open Meetings
19 Act. In addition to notice provided pursuant to that act,
20 the secretary of general services shall provide written
21 notice of each scheduled meeting of the council to the
22 director of the legislative finance committee at least ten
23 days before each meeting.

24 E. The interagency pharmaceuticals purchasing
25 council shall review and coordinate cost-containment

1 strategies for the procurement of pharmaceuticals and
2 pharmacy benefits and the pooling of risk for pharmacy
3 services by the constituent agencies. The cost-containment
4 strategies that the council shall examine shall include:

5 (1) the benchmarking of pricing for
6 pharmaceuticals and pharmacy benefits to the pricing that the
7 state's medical assistance plans achieve for pharmaceuticals
8 and pharmacy benefits; provided that the human services
9 department shall seek federal authorization prior to making
10 any changes to medical assistance pharmaceuticals purchasing
11 or pharmacy benefits;

12 (2) active medical management to optimize
13 health outcomes and reduce costs;

14 (3) the establishment of a common formulary
15 for all pharmaceuticals and pharmacy benefits plans offered
16 by constituent agencies;

17 (4) a single purchase agreement for all
18 constituent agencies' pharmaceuticals and pharmacy benefits;

19 (5) common procurement of expert services,
20 including, at minimum, pharmacy benefits management, pharmacy
21 benefits management oversight services, medical direction and
22 actuarial services;

23 (6) identifying any opportunities to
24 consolidate purchasing among two or more constituent
25 agencies;

1 (7) identifying any opportunities for
2 pooling risk among two or more constituent agencies or
3 populations the constituent agencies serve;

4 (8) identifying any opportunities for
5 consolidating purchasing with other entities and states of
6 the United States;

7 (9) ensuring that all agencies, programs,
8 clinics, hospitals and other health-related centers and
9 entities, including those identified by the human services
10 department pursuant to Paragraph (3) of Subsection A of
11 Section 27-2-12.13 NMSA 1978, that are eligible for
12 pharmaceutical discounts pursuant to Section 340B of the
13 federal Public Health Service Act participate in that Section
14 340B federal pharmaceutical price discount program;

15 (10) identifying any opportunities for
16 maximizing the use of generic pharmaceuticals where safe and
17 cost-effective to do so;

18 (11) negotiating advantageous pricing and
19 incentives with insurers, pharmacy benefits managers,
20 pharmacies, manufacturers, distributors and vendors of
21 pharmaceuticals and other third-party entities involved in
22 supplying pharmaceuticals, pharmacy benefits and management
23 services to the council's constituent entities;

24 (12) identifying ways to leverage
25 constituent agencies' pharmaceutical and pharmacy benefits

1 procurement to maximize the purchasing power of New Mexico
2 residents purchasing pharmaceuticals and pharmacy benefits in
3 the private sector;

4 (13) identifying other cost-saving
5 opportunities for New Mexico residents purchasing
6 pharmaceuticals or pharmacy benefits in the private sector;
7 and

8 (14) identifying any other opportunities for
9 maximizing efficiency and a high standard of health care
10 quality.

11 F. The legislative finance committee shall
12 annually review and validate the interagency pharmaceuticals
13 purchasing council's progress. The legislative finance
14 committee shall incorporate this information into its budget
15 and policy analysis and recommendations for the council or
16 any of the council's implementing constituent agencies.

17 G. As used in this section, "constituent agency"
18 means:

19 (1) the human services department, including
20 any medical assistance program it administers;

21 (2) the department of health;

22 (3) the children, youth and families
23 department;

24 (4) the corrections department;

25 (5) the risk management division of the

1 general services department;

2 (6) the retiree health care authority;

3 (7) the public school insurance authority;

4 (8) the publicly funded health care program
5 of the Albuquerque public school district;

6 (9) the university of New Mexico health
7 benefits program for university employees and retirees;

8 (10) the university of New Mexico hospitals;

9 or

10 (11) any local, county or municipal
11 government that opts to participate in consolidated

12 pharmaceuticals or pharmacy benefit purchasing. _____

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