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AN ACT

RELATING TO PHARMACEUTICAL DRUGS; REQUIRING MEDICAID MANAGED CARE ORGANIZATIONS TO REIMBURSE COMMUNITY-BASED PHARMACY PROVIDERS FOR THE FULL COST OF PRESCRIPTION DRUGS PLUS A PROFESSIONAL DISPENSING FEE.

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

SECTION 1. A new section of the Public Assistance Act, Section 27-2-12.34 NMSA 1978, is enacted to read:

"27-2-12.34. COMMUNITY-BASED PHARMACY REIMBURSEMENT.--

A. Each managed care organization that contracts with the department shall ensure that community-based pharmacy providers that provide services to medicaid recipients are reimbursed as follows:

(1) for the ingredient cost of a drug at a value that is at least equal to the national average drug acquisition cost for the prescription drug at the time that the drug is administered or dispensed, or if data for the national average drug acquisition is unavailable, the wholesale acquisition cost of the drug; and

(2) a professional dispensing fee.

B. The professional dispensing fee reimbursed to community-based pharmacy providers shall be no less than the professional dispensing fee reimbursed to community-based pharmacy providers for covered outpatient drugs in the

1 medicaid fee-for-service program.

2 C. By January 1, 2025, and annually thereafter,
3 the department shall compile a list of all community-based
4 pharmacy providers in the state and publish the list on the
5 department's website.

6 D. For the purposes of this section:

7 (1) "community-based pharmacy provider"
8 means a pharmacy that is:

9 (a) open to the public for
10 prescriptions to be filled, regardless of the facility or
11 practice where the prescription was written;

12 (b) located in the state or near the
13 state border, if the border town is a primary source of
14 prescription drugs for medicaid recipients residing in the
15 border area; and

16 (c) not: 1) government-owned; 2)
17 hospital-owned; 3) owned by a corporation that owns
18 hospitals; 4) an extension of a medical practice or special
19 facility; 5) owned by a corporate chain of pharmacies with
20 stores outside of the state; or 6) a mail-order pharmacy;

21 (2) "ingredient cost" means the actual
22 amount paid to a community-based pharmacy provider for a
23 prescription drug, not including the professional dispensing
24 fee or cost sharing;

25 (3) "managed care organization" means a

1 person or entity eligible to enter into risk-based prepaid
2 capitation agreements with the department to provide health
3 care and related services;

4 (4) "medicaid" means the medical assistance
5 program established pursuant to Title 19 of the federal
6 Social Security Act and regulations issued pursuant to that
7 act;

8 (5) "medicaid recipient" means a person whom
9 the department has determined to be eligible to receive
10 medicaid-related services;

11 (6) "national average drug acquisition cost"
12 means the national average of prices at which pharmacies
13 purchase a prescription drug from manufacturers or
14 wholesalers; and

15 (7) "wholesale acquisition cost" means a
16 manufacturer's list price for a prescription drug sold to
17 wholesalers in the United States, not including discounts,
18 rebates or reductions in price."

19 SECTION 2. EFFECTIVE DATE.--The effective date of the
20 provisions of this act is July 1, 2024. _____

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