

1 HOUSE BILL 174

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 Gail Armstrong and Pat Woods

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10 AN ACT

11 RELATING TO INSURANCE; REQUIRING HEALTH INSURANCE THAT IS  
12 PROVIDED AS PART OF THE HEALTH CARE PURCHASING ACT TO REIMBURSE  
13 COMMUNITY-BASED PHARMACIES FOR THE FULL COST OF PRESCRIPTION  
14 DRUGS PLUS A PROFESSIONAL DISPENSING FEE.

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

17 SECTION 1. A new section of the Health Care Purchasing  
18 Act is enacted to read:

19 "[NEW MATERIAL] COMMUNITY-BASED PHARMACY REIMBURSEMENT.--

20 A. Group health coverage, including any form of  
21 self-insurance, offered, issued or renewed under the Health  
22 Care Purchasing Act that offers a prescription drug benefit  
23 shall reimburse community-based pharmacy providers as follows:

24 (1) for the ingredient cost of a prescription  
25 drug at a value that is at least equal to the national average

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1 drug acquisition cost for the prescription drug at the time  
2 that the prescription drug is administered or dispensed, or if  
3 data for the national average drug acquisition cost is  
4 unavailable, the wholesale acquisition cost of the prescription  
5 drug; and

6 (2) a professional dispensing fee.

7 B. The professional dispensing fee reimbursed to  
8 community-based pharmacy providers shall be no less than the  
9 professional dispensing fee reimbursed to community-based  
10 pharmacy providers for covered outpatient drugs in the medicaid  
11 fee-for-service program.

12 C. For the purposes of this section:

13 (1) "community-based pharmacy provider" means  
14 a pharmacy that is:

15 (a) open to the public for prescriptions  
16 to be filled, regardless of the facility or practice where the  
17 prescription was written;

18 (b) located in the state or near the  
19 state border, if the border town is a primary source of  
20 prescription drugs for medicaid recipients residing in the  
21 border area; and

22 (c) not: 1) government-owned; 2)  
23 hospital-owned; 3) owned by a corporation that owns hospitals;  
24 4) an extension of a medical practice or special facility; 5)  
25 owned by a corporate chain of pharmacies with stores outside of

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1 the state; or 6) a mail-order pharmacy;

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

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

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

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

17 SECTION 2. EFFECTIVE DATE.--The effective date of the  
18 provisions of this act is January 1, 2026.

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