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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 utilize existing constituent agency resources to 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. Pursuant to its review of these strategies and related data, the council shall decide by vote which cost-containment strategies it will recommend. Constituent agencies shall make their own procurement decisions. The secretary of general services shall serve as director of the council and shall be responsible for the coordination of the day-to-day activities of the council.

B. The interagency pharmaceuticals purchasing

1 council shall be composed of the following eleven members
2 serving as voting, ex-officio members:

3 (1) the secretary of human services or the
4 secretary's designee;

5 (2) the secretary of health or the
6 secretary's designee;

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

9 (4) the secretary of corrections or the
10 secretary's designee;

11 (5) the director of the risk management
12 division of the general services department or the director's
13 designee;

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

16 (7) the executive director of the public
17 school insurance authority or the executive director's
18 designee;

19 (8) the superintendent of the Albuquerque
20 public school district or the superintendent's designee;

21 (9) the president of the university of
22 New Mexico or the president's designee; and

23 (10) two members, appointed by the governor,
24 who are officers of, or representative of organizations that
25 represent, county, municipal or local government entities

1 that participate in consolidated purchasing of
2 pharmaceuticals or pharmacy benefits with other constituent
3 agencies.

4 C. The interagency pharmaceuticals purchasing
5 council shall convene its first meeting by September 1, 2017
6 at the call of the secretary of general services. After the
7 initial meeting of the council, it shall meet at least once
8 quarterly at the call of the secretary of general services.
9 Meetings of the council shall be subject to the Open Meetings
10 Act. In addition to notice provided pursuant to that act,
11 the secretary of general services shall provide written
12 notice of each scheduled meeting of the council to the
13 director of the legislative finance committee at least ten
14 days before each meeting.

15 D. The interagency pharmaceuticals purchasing
16 council shall utilize existing constituent agency resources
17 to review and coordinate cost-containment strategies for the
18 procurement of pharmaceuticals and pharmacy benefits and the
19 pooling of risk for pharmacy services by the constituent
20 agencies. The cost-containment strategies that the council
21 shall examine shall include:

22 (1) the benchmarking of pricing for
23 pharmaceuticals and pharmacy benefits to the pricing that the
24 state's medical assistance plans achieve for pharmaceuticals
25 and pharmacy benefits; provided that the human services

1 department shall seek federal authorization prior to making
2 any changes to medical assistance pharmaceuticals purchasing
3 or pharmacy benefits;

4 (2) active medical management to optimize
5 health outcomes and reduce costs;

6 (3) the establishment of a common formulary
7 for all pharmaceuticals and pharmacy benefits plans offered
8 by constituent agencies;

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

11 (5) common procurement of expert services,
12 including, at minimum, pharmacy benefits management, pharmacy
13 benefits management oversight services, medical direction and
14 actuarial services;

15 (6) identifying any opportunities to
16 consolidate purchasing among two or more constituent
17 agencies;

18 (7) identifying any opportunities for
19 pooling risk among two or more constituent agencies or
20 populations the constituent agencies serve;

21 (8) identifying any opportunities for
22 consolidating purchasing with other entities and states of
23 the United States;

24 (9) ensuring that all agencies, programs,
25 clinics, hospitals and other health-related centers and

1 entities, including those identified by the human services
2 department pursuant to Paragraph (3) of Subsection A of
3 Section 27-2-12.13 NMSA 1978, that are eligible for
4 pharmaceutical discounts pursuant to Section 340B of the
5 federal Public Health Service Act participate in that Section
6 340B federal pharmaceutical price discount program;

7 (10) identifying any opportunities for
8 maximizing the use of generic pharmaceuticals where safe and
9 cost-effective to do so;

10 (11) negotiating advantageous pricing and
11 incentives with insurers, pharmacy benefits managers,
12 pharmacies, manufacturers, distributors and vendors of
13 pharmaceuticals and other third-party entities involved in
14 supplying pharmaceuticals, pharmacy benefits and management
15 services to the council's constituent entities; and

16 (12) identifying any other opportunities for
17 maximizing efficiency and a high standard of health care
18 quality.

19 E. The legislative finance committee shall
20 annually review and validate the council's progress. It
21 shall incorporate this information into its budget and policy
22 analysis and recommendations.

23 F. As used in this section, "constituent agency"
24 means:

25 (1) the human services department, including

1 any medical assistance program it administers;
2 (2) the department of health;
3 (3) the children, youth and families
4 department;
5 (4) the corrections department;
6 (5) the risk management division of the
7 general services department;
8 (6) the retiree health care authority;
9 (7) the public school insurance authority;
10 (8) the publicly funded health care program
11 of the Albuquerque public school district;
12 (9) the university of New Mexico health
13 benefits program for university employees and retirees;
14 (10) the university of New Mexico hospitals;
15 or
16 (11) any local, county or municipal
17 government that opts to participate in consolidated
18 pharmaceuticals or pharmacy benefit purchasing. _____

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