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.
B. Pursuant to its review of these strategies and related data, the interagency pharmaceuticals purchasing 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.

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

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

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

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

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

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

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

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

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

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

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

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

E. The interagency pharmaceuticals purchasing
council shall 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. The cost-containment
strategies that the council shall examine shall include:

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

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

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

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

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

(6) identifying any opportunities to
consolidate purchasing among two or more constituent
agencies;
(7) identifying any opportunities for pooling risk among two or more constituent agencies or populations the constituent agencies serve;

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

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

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

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

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

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

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

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

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

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

(2) the department of health;

(3) the children, youth and families department;

(4) the corrections department;

(5) the risk management division of the
general services department;

(6) the retiree health care authority;

(7) the public school insurance authority;

(8) the publicly funded health care program

of the Albuquerque public school district;

(9) the university of New Mexico health

benefits program for university employees and retirees;

(10) the university of New Mexico hospitals;

or

(11) any local, county or municipal

government that opts to participate in consolidated

pharmaceuticals or pharmacy benefit purchasing.