SENATE
STATE OF MINNESOTA
SPECIAL SESSION

S.F. No. 14

(SENATE AUTHORS: LITTLE)

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05/24/2019	48	Introduction and first reading Referred to Rules and Administration

A bill for an act

relating to health; establishing an insulin assistance program; proposing coding for new law in Minnesota Statutes, chapters 151; 256.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[151.254] INSULIN REGISTRATION FEE.**

Subdivision 1. **Definition.** (a) For purposes of this section, the following terms have the meanings given them.

(b) "Manufacturer" means a manufacturer licensed under section 151.252 engaged in the manufacturing of insulin.

(c) "Wholesaler" means a wholesale drug distributor licensed under section 151.47 and engaged in the wholesale drug distribution of insulin.

Subd. 2. **Reporting requirements.** (a) Effective March 1 of each year, beginning March 1, 2020, each manufacturer and each wholesaler must report to the Board of Pharmacy every sale, delivery, or other distribution within or into the state of insulin that was made to any practitioner, pharmacy, hospital, or other person who is permitted by section 151.37 to possess insulin for administration or was dispensed to human patients during the previous calendar year. Reporting must be in a manner specified by the board. If the manufacturer or wholesaler fails to provide information required under this paragraph on a timely basis, the board may assess an administrative penalty of $100 per day. This penalty shall not be considered a form of disciplinary action. Any penalty assessed under this section shall be deposited in the insulin assistance account established under section 256.938.

(b) By March 1 of each year, beginning March 1, 2020, each owner of a pharmacy with at least one location within this state must report to the board any intracompany delivery or distribution of insulin into this state, to the extent that those deliveries and distributions are not reported to the board by a licensed wholesaler owned by, under contract to, or otherwise operating on behalf of the owner of the pharmacy. Reporting must be in the manner and format specified by the board for deliveries and distributions that occurred during the previous calendar year. The report must include the name of the manufacturer or wholesaler from which the owner of the pharmacy ultimately purchased the insulin and the amount and date the purchase occurred.

Subd. 3. **Determination of manufacturer's registration fee.** (a) The board shall annually assess manufacturers a registration fee that in aggregate equals the total cost of the insulin assistance program established under section 256.937 for the previous fiscal year, not to exceed $3,000,000, including any administration costs incurred by the commissioner of human services or the board in collecting the fee. The board shall determine each manufacturer's annual insulin registration fee that is prorated and based on the manufacturer's percentage of the total number of units reported to the board under subdivision 2. For the first assessment, the commissioner shall estimate the cost of the program for the first fiscal year and notify the board of the estimated cost by March 1, 2020. The board shall determine each manufacturer's initial registration fee based on the estimated cost.

(b) By April 1 of each year, beginning April 1, 2020, the board shall notify each manufacturer of the annual amount of the manufacturer's insulin registration fee to be paid in accordance with section 151.252, subdivision 1, paragraph (b).

(c) A manufacturer may dispute the fee assessed under this section as determined by the board no later than 30 days after the date of notification. However, the manufacturer must still remit the registration fee required by section 151.252, subdivision 1, paragraph (b). The dispute must be filed with the board in the manner and using the forms specified by the board. A manufacturer must submit, with the required forms, data satisfactory to the board that demonstrates that the fee was incorrect or otherwise unwarranted. The board must make a decision concerning a dispute no later than 60 days after receiving the required dispute forms. If the board determines that the manufacturer has satisfactorily demonstrated that the original fee was incorrect, the board must: (1) adjust the manufacturer's fee; (2) adjust the manufacturer's fee due the next year by the amount in excess of the correct fee that should have been paid; or (3) refund the amount paid in error.

Sec. 2. **[256.937] INSULIN ASSISTANCE PROGRAM.**

Subdivision 1. **Establishment.** (a) The commissioner of human services shall implement an insulin assistance program by July 1, 2020. Under the program, the commissioner shall:

(1) pay participating pharmacies for insulin that is dispensed by a participating pharmacy to an eligible individual subject to a valid prescription;

(2) maintain an up-to-date list of eligible individuals and make the list available to participating pharmacies; and

(3) ensure pharmacy participation in the program in all areas of the state and maintain an up-to-date list of participating pharmacies on the department's website.

(b) The commissioner may contract with a private entity or enter into an interagency agreement with another state agency to implement this program.

Subd. 2. **Eligible individual.** (a) To be eligible for the insulin assistance program, an individual must submit to the commissioner an application form that is signed by the individual. Eligibility for the insulin assistance program is subject to the limits of available funding. To be eligible, an individual must:

(1) be a resident of Minnesota;

(2) not be eligible for Medicare, medical assistance, or MinnesotaCare;

(3) have a family income that is equal to or less than 400 percent of the federal poverty guidelines; and

(4) be uninsured or have no prescription drug coverage.

(b) The commissioner shall develop an application form and make the form available to pharmacies, health care providers, and to individuals on the department's website. An applicant must include their income and insurance status information with the application. The commissioner shall require the applicant to submit additional information to verify eligibility if deemed necessary by the commissioner.

(c) Upon receipt of a completed application and any additional information requested by the commissioner, the commissioner shall determine eligibility to the program. Once the individual has been determined eligible, the individual shall be issued an identification card. The card shall be valid for 30 days from the date of issuance and may be used at any participating pharmacy. An individual is not eligible for renewal until 12 months from the card's expiration date, at which time the individual must submit a new application form and meet the qualifications in paragraph (a).

Subd. 3. **Pharmacy participation.** (a) Pharmacy participation in the program is voluntary. In order to participate, a pharmacy must register with the commissioner and agree to reimbursement and other contract terms. A pharmacy may withdraw from participation at any time by providing written notice to the commissioner.

(b) A pharmacy shall dispense insulin to eligible individuals who present a valid prescription and an identification card.

(c) Eligible individuals are responsible for paying an insulin co-payment to the participating pharmacy that is equal to the prescription co-payment required under section 256L.03, subdivision 5.

(d) Notwithstanding paragraph (c), if an eligible individual has coverage through an individual or group health plan, the pharmacy must process the insulin in accordance with the individual's health plan.

Sec. 3. **[256.938] INSULIN ASSISTANCE ACCOUNT.**

Subdivision 1. **Establishment.** The insulin assistance account is established in the special revenue fund in the state treasury. The fees collected by the Board of Pharmacy under section 151.252, subdivision 1, paragraph (b), shall be deposited into the account.

Subd. 2. **Use of account funds.** For fiscal year 2021 and subsequent fiscal years, money in the insulin assistance account is appropriated to the commissioner of human services to fund the insulin assistance program established under section 256.937.