

1 HOUSE BILL NO. 591
2 AMENDMENT IN THE NATURE OF A SUBSTITUTE
3 (Proposed by the House Committee on Appropriations
4 on _____)
5 (Patron Prior to Substitute--Delegate VanValkenburg)

6 A BILL to require the Secretary of Finance to develop a plan to consolidate state agency prescription drug
7 purchasing and reimbursement programs; report.

8 **Be it enacted by the General Assembly of Virginia:**

9 1. § 1. That the Secretary of Finance (the Secretary) shall develop a plan to consolidate state agency
10 prescription drug purchasing and reimbursement programs to increase efficiency in prescription drug
11 purchasing and reduce spending on prescription drugs. The Secretaries of Administration, Health and
12 Human Resources, and Public Safety and Homeland Security shall provide support to the Secretary in
13 developing the Plan. In developing such plan, the Secretary shall:

14 1. Identify every state agency that purchases or provides reimbursement for prescription drugs and
15 review the process by which such state agencies currently negotiate and arrange for the purchase of or
16 reimbursement for prescription drugs;

17 2. Develop a list of prescription drugs currently purchased by state agencies or for which state
18 agencies provide reimbursement that afford the greatest opportunity for reducing prescription drug
19 spending through multi-agency group procurement, contracting and purchasing from or renegotiation of
20 purchasing agreements with manufacturers. In developing such list, the Secretary shall:

21 a. Identify and prioritize consideration of (i) the 25 most expensive prescription drugs purchased
22 or reimbursed by state agencies in the previous calendar year and (ii) the 25 prescription drugs with the
23 highest total net spend among state agencies in the previous calendar year; and

24 b. If the Secretary does not include prescription drugs identified pursuant to subdivision a, include
25 a brief explanation of why such drug was not included on the list required by this subdivision 2;

26 3. Develop a plan for transitioning all pharmacy services provided through the Commonwealth's
27 program of medical assistance services administered by the Department of Medical Assistance Services
28 to fee-for-service benefits to improve program efficiency and cost savings; and

29 4. Develop a plan for implementing group purchasing arrangements for prescription drugs
30 purchased by state agencies or for which state agencies provide reimbursement, with priority given to
31 prescription drugs identified pursuant to subdivision 2. Such plan shall include provisions for allowing
32 and encouraging participation by local governments and private purchasers of prescription drugs that may
33 benefit from participation in the Commonwealth's bulk prescription drug purchasing program.

34 § 2. The Secretary shall provide an interim report on the development of the plan to consolidate
35 state agency prescription drug purchasing and reimbursement programs to the Governor and the General
36 Assembly by November 1, 2022, which shall include a preliminary estimate of potential cost savings
37 based on drugs identified in subdivision 2 of § 1, and a final report on the plan to consolidate state agency
38 prescription drug purchasing and reimbursement programs to the Governor and the General Assembly by
39 November 1, 2023, which shall include an updated estimate of potential cost savings based on drugs
40 identified in subdivision 2 of § 1. Such reports shall include (i) options or recommendations regarding the
41 office or agency of the Commonwealth best qualified to administer the group purchasing initiative on
42 behalf of agencies that purchase or reimburse for prescription drugs and (ii) recommendations for any
43 statutory, regulatory, policy, or budgetary changes necessary to implement the Secretary's plan to
44 consolidate state agency prescription drug purchasing and reimbursement programs.

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