

SENATE BILL NO. 122

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on General Laws and Technology

on _____)

(Patron Prior to Substitute--Senator VanValkenburg)

A BILL to require the Department of General Services to develop a strategy to increase efficiency in state agency prescription drug purchasing and reduce spending on prescription drugs; report.

Be it enacted by the General Assembly of Virginia:

1. § 1. That the Department of General Services (the Department) shall develop a strategy to increase efficiency in state agency prescription drug purchasing and reduce spending on prescription drugs. In developing such strategy, the Department shall:

1. Identify every state agency that purchases prescription drugs to dispense or administer or that provides pharmacy benefits for health plan enrollees and review the process by which such state agencies currently negotiate and arrange for the purchase of prescription drugs or manage pharmacy benefits for enrollees; and

2. Develop a list of prescription drugs currently purchased by state agencies that afford the greatest opportunity for reducing prescription drug spending through multi-agency group procurement or other cost control strategies and review the pharmacy benefit management contracts of state employee health plans to assess strengths of different contracts and the feasibility of multi-agency pharmacy benefit contracting and other pharmacy benefit management cost containment opportunities. In developing such list, the Department shall:

a. Identify and prioritize consideration of the 25 most expensive prescription drugs purchased by state agencies or covered by state agency health benefit programs in the previous calendar year; and

b. Identify and prioritize the 25 prescription drugs generating the highest total net spending among state agencies in the previous calendar year.

26 § 2. The Secretaries of Administration, Health and Human Resources, and Public Safety and
27 Homeland Security shall provide support to the Department in developing the strategy. The Department
28 shall provide an interim report on the findings of § 1 of this act to the Governor and the General Assembly
29 by November 1, 2024, and a final report on the findings with policy recommendations, if the opportunity
30 for cost savings is discovered, to the Governor and the General Assembly by November 1, 2025, which
31 shall include recommendations related to consolidating state agency prescription drug purchasing and
32 reimbursement programs, transitioning all pharmacy services to fee-for-service benefits, implementing
33 group purchasing arrangements or otherwise maximizing cost savings for state agencies based on drugs
34 identified in subdivision 2 of § 1 of this act, and identifying benefits to consumers and impacts on the
35 quality of health care received by state employees, Medicaid beneficiaries, and other patients who would
36 be affected by the development of a single purchasing entity.

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