



Independent Pharmacy Alliance



Garden State Pharmacy Owners



Omega Pharmacy Group

Governor Murphy Signs New Jersey FY 2022 Budget

Governor Murphy signed the Fiscal Year 2022 State Budget which previously received final legislative passage with a vote of 49-26 in the Assembly and 21-15 in the Senate.

The budget appropriates \$46,360,012,000 in state funds, and \$21,026,030,082 in federal funds.

The budget also provides funding for COVID-19 related needs to protect the safety, health and well-being of New Jersey's nine million residents. It also pays down debt and creates \$3.7 billion debt defeasance fund to save taxpayers' money to pay down existing debt and avoid debt in the future.

The budget does not include any tax increases, but it does ensure that approximately 760,000 New Jerseyans will receive a \$500 tax rebate.

Bill Requiring PBMs for NJ Medicaid Programs to Disclose Spread Pricing Heads to Governor for Approval *Lays the Ground Work for Carving-Out PBMs from Medicaid*

The New Jersey Independent Community Pharmacy Coalition is laying the groundwork to carve-out PBMs from the State Medicaid program. On June 21st the State Legislature unanimously approved, S249/A1259 sponsored by Senator Troy Singleton and Assemblyman Gary Schaer, a bill that would require PBMs providing services under the Medicaid program to disclose information on spread-pricing to the New Jersey Department of Human Services. PBMs would also be required to disclose the sources/amounts of income, payments and financial benefits they receive to provide services on behalf of health plans. This would include, but not be limited to, any pricing discounts, credits, rebates or reimbursements they receive. Furthermore, PBMs would also be required to disclose any ingredient costs, dispensing fees or other similar payments made to a pharmacy, as well as their payment model for administrative fees.

Due to the political concerns of 340b providers, our timeline to achieve a Medicaid carve-out was revised and will take longer than anticipated. However, this bill will be the first step in providing the State with concrete evidence that PBMs are overcharging the Medicaid program and not sharing all of the negotiated savings. From there, legislators can make more informed decisions about how to be more efficient and reduce health care costs on behalf of the more than 1.4 million residents covered by Medicaid. **The bill now heads to Governor Phil Murphy for his review and signature.**

New Bill Introduced to Include Self-Insured Plans in New Jersey's PBM Transparency and Appeals Law

The New Jersey Independent Community Pharmacy Coalition provided a briefing on the Rutledge v. PCMA Supreme Court Case for Senator Troy Singleton. As a result, a new bill was introduced in the State Legislature, S3898/A5935 sponsored by Senator Troy Singleton and Assemblyman John McKeon that would include self-insured plans in the PBM transparency and appeals law, P.L.2019, c. 274. On March 18, 2020, the

new PBM law took effect, it prohibits retroactive fees and regulates brand, generic and dispensing fee effective rates in commercial plans, which make up 30 percent of the market. This bill would remove the exemption that exists under current law of self-insured health benefits **and moves New Jersey closer to 100 percent regulation of the PBM market.**

Legislators are recognizing that the big three PBMs control the majority of the prescription drug market and the State needs the authority to regulate these mega corporations to reduce prescription drug costs and preserve pharmacy services for patients. We will keep you updated on this bill's progress.

New Jersey Coalition Praises Plan to Adopt Model PBM Oversight Legislation

We are very happy to see the National Association of Insurance Commissioners (NAIC) advancing model legislation to regulate and license PBMs. The model legislation next moves before the full NAIC at its summer meeting in August. New Jersey's PBM laws contain most of the provisions in the model NAIC legislation; the model legislation will provide our state's Department of Banking and Insurance with the guidance they need to regulate PBMs.

Legislature Passes Opioid Antidote Accessibility Package Bills on the Governor's Desk

In response to the state's deadly opioid epidemic, both Houses of the NJ Legislature have passed five bills which would increase access to opioid antidotes and provide support for those struggling with addiction.

The first bill, S3491, sponsored by Senators Vitale and Joseph Lagana, would revise the requirements to obtain and administer opioid antidotes in response to a suspected overdose. Specifically, the bill would revise the "Overdose Prevention Act," to permit any person to obtain, administer, and distribute opioid antidotes to others, regardless of whether the person is acting in a private or professional capacity.

A second bill, S3493, sponsored by Senator Vitale, would permit the expungement of a possession or distribution of a hypodermic syringe or needle offense.

Under current law, expungement is prohibited when the person has had a previous criminal conviction expunged, but certain exceptions exist including when the person is seeking the expungement of a municipal ordinance violation or the expungement of records for an arrest not resulting in conviction. This bill would add possession or distribution of hypodermic syringes or needles to the list of exceptions and decriminalize possession or distribution of hypodermic syringes or needles.

A third bill, S3800, sponsored by Senator Dawn Addiego, would require health benefits carriers and State programs to provide coverage for opioid antidotes, including naloxone, without imposing prior authorization requirements.

Specifically, the bill would be for opioid antidotes that are either prescribed or administered to individuals by authorized licensed medical practitioners or licensed pharmacists, under a standing order to allow pharmacists to dispense opioid antidotes to any person without an individual prescription.

A fourth bill, S3803, sponsored by Senator Vitale, would permit paramedics to administer buprenorphine.

Under the bill, paramedics may administer the drug to an individual following the emergent administration of an opioid antidote to the individual provided that the paramedic is:

- providing emergency medical services through a program registered with the United States Attorney General;
- administering the drug consistent with requirements under federal law; and
- has completed comprehensive training and competency assessments regarding which specific medical conditions necessitate the administration of buprenorphine, including, dosage requirements and the required medical documentation following its administration.

The final bill, S3867, sponsored by Senators Addiego and Troy Singleton, would dedicate all current and future Opioid Settlement dollars solely to addiction services. The bill would require that any money that has already been received and any additional opioid settlement monies be placed in a New Jersey State Treasury 'Opioid Recovery and Remediation Fund.' This fund would be dedicated solely to supplementing substance use disorder prevention and treatment programs and services in the State.

The bills have been approved by both Houses and are now on the Governor's Desk.