

Chapter 67, P.L. 2016

(Approved November 21, P.L. 2016)

SENATE, No. 2749

STATE OF NEW JERSEY

217th LEGISLATURE

INTRODUCED NOVEMBER 3, 2016

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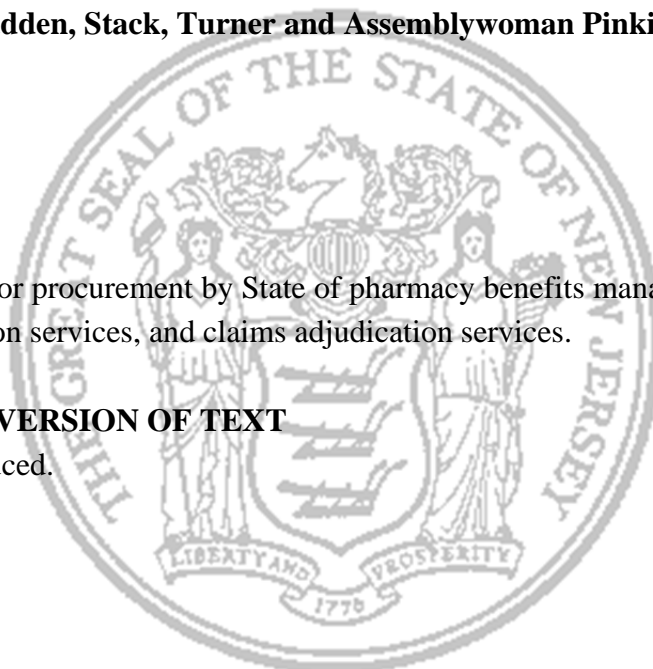
Senators Madden, Stack, Turner and Assemblywoman Pinkin

SYNOPSIS

Provides for procurement by State of pharmacy benefits manager, automated reverse auction services, and claims adjudication services.

CURRENT VERSION OF TEXT

As introduced.



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1 AN ACT providing for the procurement by the State of a pharmacy
2 benefits manager, automated reverse auction services, and claims
3 adjudication services.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. a. Notwithstanding the provisions of any other law to the
9 contrary, a contract for the services of a Pharmacy Benefits
10 Manager (PBM) for the State Health Benefits Plan (SHBP) or the
11 School Employees' Health Benefits Plan (SEHBP) shall be
12 procured in an expedited process and in the manner provided by this
13 section.

14 b. The Division of Purchase and Property in the Department of
15 the Treasury shall procure, without the need for formal
16 advertisement, but through the solicitation of proposals from
17 professional services vendors, from qualified vendors the following
18 three services based upon price and other factors:

19 (1) technical assistance to the State to evaluate the qualifications
20 of bidders on a PBM procurement and to provide online automated
21 reverse auction services to support the Department of the Treasury
22 in comparing the pricing for the PBM procurement. The technology
23 platform shall, if possible, utilize a re-pricing of PBM proposals for
24 the SHBP and SEHBP pharmacy spending utilizing code-based
25 classification of drugs from nationally-accepted data sources of
26 comparisons of the costs of PBM proposals;

27 (2) real-time, electronic, line-by-line, claim-by-claim review of
28 invoiced PBM pharmacy claims using an automated claims
29 adjudication technology platform that allows for online comparison
30 of PBM invoices and auditing of other aspects of the services
31 provided by the PBM; and

32 (3) a PBM and related services.

33 c. Notwithstanding the provisions of any other law to the
34 contrary, for the purpose of expediting the procurements, the
35 following provisions shall apply as modifications to law or
36 regulation that may interfere with the expedited award of the above
37 services:

38 (1) the timeframes for challenging the specifications shall be
39 modified as determined by the division;

40 (2) in lieu of advertising in accordance with sections 2, 3, and 4
41 of P.L.1954, c. 48 (C.52:34-7, C.52:34-8, and C.52:34-9), the
42 division shall advertise the request for proposals for the above
43 services and any addenda thereto on the division's website;

44 (3) the period of time that the State Comptroller has to review
45 the request for proposals for these professional services
46 procurements for compliance with applicable public contracting
47 laws, rules and regulations, pursuant to section 10 of P.L.2007, c.52

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1 (C.52:15C-10), shall be 10 business days or less if practicable, as
2 determined by the State Comptroller;

3 (4) the timeframes for submission under section 4 of P.L.2012,
4 c.25 (C.52:32-58) and section 1 of P.L.1977, c.33 (C.52:25-24.2)
5 shall be extended to prior to the issuance of a Notice of Intent to
6 Award;

7 (5) the provision of section 1 of P.L. 2005, c.92 (C.52:34-13.2)
8 shall not apply to technical and support services, under this section,
9 provided by a vendor using a “24/7 follow-the-sun model” as long
10 as the contractor is able to provide such services in the United
11 States during the business day; and

12 (6) the term “bids” in subparagraph (f) of subsection a. of section
13 7 of P.L.1954, c.48 (C.52:34-12) shall not include pricing which
14 will be revealed to all responsive bidders during the negotiation
15 process.

16 d. The division may, to the extent necessary, waive or modify
17 any other law or regulation that may interfere with the expeditious
18 procurement of these services.

19 e. “Reverse auction” means an automated bidding process
20 conducted online that starts with an opening price and allows
21 qualified bidders to counter offer a lower price, for as many rounds
22 of bidding as determined by the division.

23
24 2. This act shall take effect immediately and shall expire after
25 the award of the next PBM contract.

26
27
28 **STATEMENT**

29
30 This bill provides that the State will procure, in an expedited
31 manner, professional services contracts for:

32 technical assistance to evaluate the qualifications of bidders on a
33 Pharmacy Benefits Manager (PBM) procurement and online
34 automated reverse auction services to support comparison of the
35 pricing for the PBM procurement;

36 real-time, electronic, line-by-line, claim-by-claim review of
37 invoiced PBM pharmacy claims using an automated claims
38 adjudication technology platform that allows for online comparison
39 of PBM invoices and auditing of other aspects of the services
40 provided by the PBM; and

41 a PBM for the State Health Benefits Plan or the School
42 Employees’ Health Benefits Plan.

43 The bill authorizes the Division of Purchase and Property in the
44 Department of the Treasury, to the extent necessary, to waive or
45 modify any other law or regulation that may interfere with the
46 procurement of these services.

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1 It is anticipated that the assistance of these professional services
2 vendors and this method of awarding a pharmacy benefits manager
3 contract will save substantial amounts of public funds.

4 The bill will take effect immediately and expire after the next
5 PBM contract is awarded.