

IC 16-47

**ARTICLE 47. AGGREGATE PURCHASING OF
PRESCRIPTION DRUGS**

IC 16-47-1

**Chapter 1. State Aggregate Prescription Drug Purchasing
Program**

IC 16-47-1-0.1

Application of certain amendments to chapter

Sec. 0.1. The following amendments to this chapter apply as follows:

(1) The addition of section 5(a)(1) of this chapter by P.L.50-2004 applies to a health benefit plan described in section 2(1) and 2(2) of this chapter, as added by P.L.50-2004, established, entered into, delivered, amended, or renewed after December 31, 2004.

(2) The addition of section 5(a)(2) of this chapter by P.L.50-2004 applies to a health benefit plan described in section 2(3) of this chapter, as added by P.L.50-2004, on the date that the health benefit plan is established, entered into, delivered, amended, or renewed after December 31, 2004.

As added by P.L.220-2011, SEC.325. Amended by P.L.121-2016, SEC.22.

IC 16-47-1-1

"Department"

Sec. 1. As used in this chapter, "department" refers to the state personnel department.

As added by P.L.50-2004, SEC.5.

IC 16-47-1-2

"Health benefit plan"

Sec. 2. As used in this chapter, "health benefit plan" refers to the following:

(1) A self-insurance program established under IC 5-10-8-7(b) to provide group health coverage.

(2) A contract with a prepaid health care delivery plan that is entered into or renewed under IC 5-10-8-7(c).

(3) A plan through which a state educational institution arranges for coverage of the cost of health care services (as defined in IC 27-13-1-18) provided to employees of the state educational institution.

As added by P.L.50-2004, SEC.5. Amended by P.L.2-2007, SEC.197; P.L.121-2016, SEC.23.

IC 16-47-1-3

"Program"

Sec. 3. As used in this chapter, "program" refers to the aggregate prescription drug purchasing program established under this chapter. *As added by P.L.50-2004, SEC.5.*

IC 16-47-1-4

Establishing, implementing, and maintaining program

Sec. 4. (a) The department, with the approval of the budget agency, shall establish, implement, and maintain an aggregate prescription drug purchasing program through which terms are negotiated related to the purchase of prescription drugs by:

- (1) an entity described in section 5(a) or 5(b) of this chapter; or
- (2) an individual who is covered under a health benefit plan that includes a prescription drug benefit.

(b) The budget agency may contract with a pharmacy benefit manager or other person to conduct the negotiations of the program established under subsection (a).

(c) The terms and conditions of the program are subject to the approval of the budget agency.

As added by P.L.50-2004, SEC.5.

IC 16-47-1-5

Application; participation in program

Sec. 5. (a) This subsection does not apply to prescription drugs that are dispensed through an onsite clinic. The following shall participate in the program:

- (1) The department, for a health benefit plan:
 - (A) described in section 2(1) or 2(2) of this chapter; and
 - (B) that provides coverage for prescription drugs.
- (2) After June 30, 2011, a state educational institution, for a health benefit plan:
 - (A) described in section 2(3) of this chapter; and
 - (B) that provides coverage for prescription drugs;

unless the budget agency determines that the state educational institution's participation in the program would not result in an overall financial benefit to the state educational institution. The budget agency may delay compliance with this subdivision to a date after July 1, 2011, that is determined by the budget agency to allow for the orderly transition from another program.

(b) The following may participate in the program:

- (1) A state agency other than the department that:
 - (A) purchases prescription drugs; or
 - (B) arranges for the payment of the cost of prescription drugs.
- (2) A local unit (as defined in IC 5-10-8-1).
- (3) The Indiana comprehensive health insurance association established under IC 27-8-10.

(c) The state Medicaid program may not participate in the program under this chapter.

As added by P.L.50-2004, SEC.5. Amended by P.L.173-2007, SEC.3; P.L.229-2011, SEC.166; P.L.46-2015, SEC.1; P.L.121-2016, SEC.24.

IC 16-47-1-6

Approval of request for proposals by budget agency

Sec. 6. A request for proposal and the award of a contract under this chapter is subject to the approval of the budget agency.

As added by P.L.50-2004, SEC.5.

IC 16-47-1-7

Prohibition on importing drugs in violation of federal law

Sec. 7. The program may not include the purchase of prescription drugs imported into the United States in violation of federal law.

As added by P.L.50-2004, SEC.5.

IC 16-47-1-8

Voluntary participation by pharmaceutical manufacturers; prohibition on penalizing manufacturers

Sec. 8. (a) Participation in the program by a pharmaceutical manufacturer is voluntary.

(b) The state may not:

(1) require prior authorization for a prescription drug in the state Medicaid program under IC 12-15; or

(2) otherwise penalize a pharmaceutical manufacturer;

because the pharmaceutical manufacturer is not participating in the program.

As added by P.L.50-2004, SEC.5.

IC 16-47-1-9

Confidentiality of information

Sec. 9. Any information, including prescription drug prices and discounts, provided to the state or the state's contractor under this chapter is confidential and is exempt from disclosure under IC 5-14-3.

As added by P.L.50-2004, SEC.5.

IC 16-47-1-10

Negotiations by drug stores to participate in program

Sec. 10. A drug store may negotiate prescription drug prices and discounts with a pharmaceutical manufacturer to participate in the program.

As added by P.L.50-2004, SEC.5.

IC 16-47-2

Chapter 2. Multi-state Prescription Drug Aggregate Purchasing Program

IC 16-47-2-1

Authority to enter into multi-state agreement to purchase or reimburse for prescription drugs

Sec. 1. The state, with the approval of the governor, may enter into agreements with other states to jointly purchase prescription drugs in aggregate or provide for reimbursement of the cost of prescription drugs purchased in aggregate to reduce the prescription drug costs for the state and for Indiana residents covered under this chapter.

As added by P.L.50-2004, SEC.5.

IC 16-47-2-2

Prohibition on Medicaid program participating in program

Sec. 2. The state Medicaid program may not participate in a program entered into under this chapter.

As added by P.L.50-2004, SEC.5.

IC 16-47-2-3

Prohibition on purchasing imported prescription drugs in violation of federal law

Sec. 3. The program described in this chapter may not include the purchase of prescription drugs imported into the United States in violation of federal law.

As added by P.L.50-2004, SEC.5.

IC 16-47-2-4

Voluntary participation in program by pharmaceutical manufacturers; prohibition on penalizing manufacturers

Sec. 4. (a) Participation in the program described in this chapter by a pharmaceutical manufacturer is voluntary.

(b) The state may not participate in a program described in this chapter that:

(1) requires prior authorization of a prescription drug in the state Medicaid program under IC 12-15; or

(2) otherwise penalizes a pharmaceutical manufacturer;

because a pharmaceutical manufacturer does not participate in the program.

As added by P.L.50-2004, SEC.5.

IC 16-47-2-5

Confidentiality of information

Sec. 5. Any information, including prescription drug prices and discounts, provided to the state or to the state's contractor under this chapter is confidential and is exempt from disclosure under

IC 5-14-3.
As added by P.L.50-2004, SEC.5.