It is enacted by the General Assembly as follows:

SECTION 1. Section 42-7.2-16 of the General Laws in Chapter 42-7.2 entitled "Office of Health and Human Services" is hereby amended to read as follows:


(a) The executive office of health and human services, in conjunction with the department of human services, the department of children, youth and families, the department of health and the department of behavioral healthcare, developmental disabilities and hospitals, is authorized to design options that further the reforms in Medicaid initiated in 2008 to ensure that the program:

utilizes competitive and value based purchasing to maximize the available service options, promotes accountability and transparency, and encourages and rewards healthy outcomes, independence, and responsible choices; promotes efficiencies and the coordination of services across all health and human services agencies; and ensures the state will have a fiscally sound source of publicly-financed health care for Rhode Islanders in need.

(b) Principles and goals. In developing and implementing this system of reform, the executive office of health and human services and the four (4) health and human services departments shall pursue the following principles and goals:

(1) Empower consumers to make reasoned and cost-effective choices about their health by providing them with the information and array of service options they need and offering rewards for healthy decisions;
(2) Encourage personal responsibility by assuring the information available to beneficiaries is easy to understand and accurate, provide that a fiscal intermediary is provided when necessary, and adequate access to needed services;

(3) When appropriate, promote community-based care solutions by transitioning beneficiaries from institutional settings back into the community and by providing the needed assistance and supports to beneficiaries requiring long-term care or residential services who wish to remain, or are better served in the community;

(4) Enable consumers to receive individualized health care that is outcome-oriented, focused on prevention, disease management, recovery and maintaining independence;

(5) Promote competition between healthcare providers to ensure best value purchasing, to leverage resources and to create opportunities for improving service quality and performance;

(6) Redesign purchasing and payment methods to assure fiscal accountability and encourage and to reward service quality and cost-effectiveness by tying reimbursements to evidence-based performance measures and standards, including those related to patient satisfaction;

and

(7) Continually improve technology to take advantage of recent innovations and advances that help decision makers, consumers and providers to make informed and cost-effective decisions regarding health care.

(c) The executive office of health and human services shall annually submit a report to the governor and the general assembly describing the status of the administration and implementation of the Medicaid Section 1115 demonstration waiver.

(d) The executive office of health and human services shall not enter into managed care organization (MCO) contracts that permit managed care organizations to contract with pharmacy benefit managers (PBM).

SECTION 2. This act shall take effect upon passage.
This act would prohibit the executive office of health and human services from entering into manage care organization (MCO) contracts that permit managed care organizations to contract with pharmacy benefit managers (PBM).

This act would take effect upon passage.

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