

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 773 Session of
1999

INTRODUCED BY ADOLPH, HARHART, CIVERA, BARRAR, RAYMOND,
MICOZZIE, ALLEN, ARMSTRONG, BAKER, BARD, BARLEY, L. I. COHEN,
COLAFELLA, CORRIGAN, CURRY, DALLY, DIGIROLAMO, FARGO, FLICK,
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KELLER, KENNEY, LAUGHLIN, MAHER, McCALL, ORIE, PESCI,
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STABACK, STERN, STRITTMATTER, E. Z. TAYLOR, TRELLO, WILLIAMS,
WOGAN, WRIGHT, ZUG, BOYES, RAMOS, PIPPY, STEVENSON AND
BUTKOVITZ, MARCH 9, 1999

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
MAY 3, 1999

AN ACT

1 ~~Amending the act of March 11, 1971 (P.L.104, No.3), entitled, as~~ <—
2 ~~amended, "An act providing property tax or rent rebate and~~
3 ~~inflation dividends to certain senior citizens, widows,~~
4 ~~widowers and permanently disabled persons with limited~~
5 ~~incomes; establishing uniform standards and qualifications~~
6 ~~for eligibility to receive rebates and dividends; providing~~
7 ~~for transportation assistance grants and grants to area~~
8 ~~agencies on aging for services to older persons; and imposing~~
9 ~~duties upon the Department of Revenue," further defining~~
10 ~~income to exclude a portion of railroad retirement benefits~~
11 ~~and Federal Social Security benefits; and providing for~~
12 ~~appropriations.~~
13 AMENDING THE ACT OF AUGUST 26, 1971 (P.L.351, NO.91), ENTITLED <—
14 "AN ACT PROVIDING FOR A STATE LOTTERY AND ADMINISTRATION
15 THEREOF; AUTHORIZING THE CREATION OF A STATE LOTTERY
16 COMMISSION; PRESCRIBING ITS POWERS AND DUTIES; DISPOSITION OF
17 FUNDS; VIOLATIONS AND PENALTIES THEREFOR; EXEMPTION OF PRIZES
18 FROM STATE AND LOCAL TAXATION AND MAKING AN APPROPRIATION,"
19 AMENDING CERTAIN DEFINITIONS AND DELETING PROVISIONS RELATING
20 TO PACENET AND CERTAIN DEDUCTIBLES; PROVIDING PROPERTY TAX OR
21 RENT REBATE AND INFLATION ASSISTANCE TO CERTAIN SENIOR
22 CITIZENS, WIDOWS, WIDOWERS AND PERMANENTLY DISABLED PERSONS
23 WITH LIMITED INCOME; ESTABLISHING UNIFORM STANDARDS AND
24 QUALIFICATIONS; AND IMPOSING ADDITIONAL DUTIES ON THE
25 DEPARTMENT OF REVENUE.

1 The General Assembly of the Commonwealth of Pennsylvania
2 hereby enacts as follows:

3 ~~Section 1. Sections 3(1) and 8 of the act of March 11, 1971~~ <—
4 ~~(P.L.104, No.3), known as the Senior Citizens Rebate and~~
5 ~~Assistance Act, reenacted and amended December 21, 1979~~
6 ~~(P.L.570, No.131) are amended to read:~~

7 ~~Section 3. Definitions. As used in this act:~~

8 ~~(1) "Income" means all income from whatever source derived,~~
9 ~~including but not limited to salaries, wages, bonuses,~~
10 ~~commissions, income from self employment, alimony, support~~
11 ~~money, cash public assistance and relief, the gross amount of~~
12 ~~any pensions or annuities including railroad retirement benefits~~
13 ~~for calendar years prior to 1998, and 50% of railroad retirement~~
14 ~~benefits for calendar years 1998 and thereafter, all benefits~~
15 ~~received under the Federal Social Security Act (except Medicare~~
16 ~~benefits) for calendar years prior to 1998, and 50% of all~~
17 ~~benefits received under the Federal Social Security Act (except~~
18 ~~Medicare benefits) for calendar years 1998 and thereafter, all~~
19 ~~benefits received under State unemployment insurance laws and~~
20 ~~veterans' disability payments, all interest received from the~~
21 ~~Federal or any State government, or any instrumentality or~~
22 ~~political subdivision thereof, realized capital gains, rentals,~~
23 ~~workmen's compensation and the gross amount of loss of time~~
24 ~~insurance benefits, life insurance benefits and proceeds (except~~
25 ~~the first five thousand dollars (\$5,000) of the total of death~~
26 ~~benefit payments), and gifts of cash or property (other than~~
27 ~~transfers by gift between members of a household) in excess of a~~
28 ~~total value of three hundred dollars (\$300), but shall not~~
29 ~~include surplus food or other relief in kind supplied by a~~
30 ~~governmental agency or property tax or rent rebate or inflation~~

1 dividend.

2 * * *

3 ~~Section 8. Funds for Payment of Administrative Expenses and~~
4 ~~Claims. Expenses, salaries and other costs incurred in the~~
5 ~~administration of this act and approved claims shall be paid~~
6 ~~from the State Lottery Fund established by the act of August 26,~~
7 ~~1971 (P.L.351, No.91), known as the "State Lottery Law." In the~~
8 ~~event that the total amount of administrative expenses and~~
9 ~~claims exceeds the amount in such fund, in any one year, [then~~
10 ~~the amounts allowed as tax or rent rebates and inflation~~
11 ~~dividends shall be reduced in the proportion that the amount of~~
12 ~~such fund bears to the total amount of claims in such year] the~~
13 ~~General Assembly may appropriate sufficient funds from the~~
14 ~~General Fund to cover the excess costs. For the purposes of this~~
15 ~~section, the amount in the State Lottery Fund shall include the~~
16 ~~June 30 ending lottery fund balance plus eighty per cent of~~
17 ~~projected lottery fund revenues after lottery fund~~
18 ~~administrative expenses for the subsequent fiscal year.~~

19 SECTION 1. THE DEFINITIONS OF "MAXIMUM ANNUAL INCOME," <—
20 "PACENET" AND "PROGRAM" IN SECTION 502 OF THE ACT OF AUGUST 26,
21 1971 (P.L.351, NO.91), KNOWN AS THE STATE LOTTERY LAW, ADDED
22 NOVEMBER 21, 1996 (P.L.741, NO.134), ARE AMENDED TO READ:

23 SECTION 502. DEFINITIONS.

24 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
25 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
26 CONTEXT CLEARLY INDICATES OTHERWISE:

27 * * *

28 "MAXIMUM ANNUAL INCOME." FOR PACE ELIGIBILITY, THE TERM
29 SHALL MEAN ANNUAL INCOME WHICH SHALL NOT EXCEED [\$14,000]
30 \$16,000 IN THE CASE OF SINGLE PERSONS NOR [\$17,200] \$19,200 IN

1 THE CASE OF THE COMBINED ANNUAL INCOME OF PERSONS MARRIED TO
2 EACH OTHER. PERSONS MAY, IN REPORTING INCOME TO THE DEPARTMENT
3 OF AGING, ROUND THE AMOUNT OF EACH SOURCE OF INCOME AND THE
4 INCOME TOTAL TO THE NEAREST WHOLE DOLLAR, WHEREBY ANY AMOUNT
5 WHICH IS LESS THAN 50¢ IS ELIMINATED.

6 * * *

7 ["PACENET." THE PHARMACEUTICAL ASSISTANCE CONTRACT FOR THE
8 ELDERLY NEEDS ENHANCEMENT TIER PROVIDED FOR IN THIS CHAPTER.]

9 * * *

10 "PROGRAM." THE PHARMACEUTICAL ASSISTANCE CONTRACT FOR THE
11 ELDERLY (PACE) [AND THE PHARMACEUTICAL ASSISTANCE CONTRACT FOR
12 THE ELDERLY NEEDS ENHANCEMENT TIER (PACENET)] AS ESTABLISHED BY
13 THIS CHAPTER, UNLESS OTHERWISE SPECIFIED.

14 * * *

15 SECTION 2. SECTIONS 519, 520(C) AND 521(B) AND (D) OF THE
16 ACT, ADDED NOVEMBER 21, 1996 (P.L.741, NO.134), ARE AMENDED TO
17 READ:

18 [SECTION 519. THE PHARMACEUTICAL ASSISTANCE CONTRACT FOR THE
19 ELDERLY NEEDS ENHANCEMENT TIER.

20 (A) ESTABLISHMENT.--THERE IS HEREBY ESTABLISHED WITHIN THE
21 DEPARTMENT A PROGRAM TO BE KNOWN AS THE PHARMACEUTICAL
22 ASSISTANCE CONTRACT FOR THE ELDERLY NEEDS ENHANCEMENT TIER
23 (PACENET).

24 (B) PACENET ELIGIBILITY.--A CLAIMANT WITH AN ANNUAL INCOME
25 OF NOT LESS THAN \$14,000 AND NOT MORE THAN \$16,000 IN THE CASE
26 OF A SINGLE PERSON AND OF NOT LESS THAN \$17,200 AND NOT MORE
27 THAN \$19,200 IN THE CASE OF THE COMBINED INCOME OF PERSONS
28 MARRIED TO EACH OTHER SHALL BE ELIGIBLE FOR ENHANCED
29 PHARMACEUTICAL ASSISTANCE UNDER THIS SECTION. A PERSON MAY, IN
30 REPORTING INCOME TO THE DEPARTMENT, ROUND THE AMOUNT OF EACH

SOURCE OF INCOME AND THE INCOME TOTAL TO THE NEAREST WHOLE
DOLLAR, WHEREBY ANY AMOUNT WHICH IS LESS THAN 50¢ IS ELIMINATED.

(C) DEDUCTIBLE.--UPON ENROLLMENT IN PACENET, ELIGIBLE
CLAIMANTS IN THE INCOME RANGES SET FORTH IN SUBSECTION (B) SHALL
BE REQUIRED TO MEET AN ANNUAL DEDUCTIBLE IN UNREIMBURSED
PRESCRIPTION DRUG EXPENSES OF \$500 PER PERSON. TO QUALIFY FOR
THE DEDUCTIBLE SET FORTH IN THIS SUBSECTION THE PRESCRIPTION
DRUG MUST BE PURCHASED FOR THE USE OF THE ELIGIBLE CLAIMANT FROM
A PROVIDER AS DEFINED IN THIS CHAPTER. THE DEPARTMENT, AFTER
CONSULTATION WITH THE BOARD, MAY APPROVE AN ADJUSTMENT IN THE
DEDUCTIBLE ON AN ANNUAL BASIS.

(D) COPAYMENT.--FOR ELIGIBLE CLAIMANTS UNDER THIS SECTION,
THE COPAYMENT SCHEDULE, WHICH MAY BE ADJUSTED BY THE DEPARTMENT
ON AN ANNUAL BASIS AFTER CONSULTATION WITH THE BOARD, SHALL BE:

(I) EIGHT DOLLARS FOR NONINNOVATOR MULTIPLE SOURCE
DRUGS AS DEFINED IN SECTION 702; OR

(II) FIFTEEN DOLLARS FOR SINGLE-SOURCE DRUGS AND
INNOVATOR MULTIPLE-SOURCE DRUGS AS DEFINED IN SECTION
702.]

SECTION 520. BOARD.

* * *

(C) REVIEW.--USING THE ANNUAL REPORT SUBMITTED BY THE
DEPARTMENT PURSUANT TO SECTION 2102 AND OTHER APPROPRIATE DATA
SOURCES, THE BOARD SHALL CONDUCT AN ANNUAL REVIEW. THE BOARD
SHALL DEVELOP RECOMMENDATIONS CONCERNING ANY CHANGES IN THE
LEVEL OF COPAYMENT[, DEDUCTIBLE] OR IN THE LEVEL OF FEES PAID TO
PARTICIPATING PHARMACISTS. THE BOARD SHALL REVIEW THE
DEPARTMENT'S THERAPEUTIC DRUG UTILIZATION REVIEW PROGRAM ON AN
ONGOING BASIS. THE BOARD MAY ALSO RECOMMEND OTHER CHANGES IN THE
STRUCTURE OF THE PROGRAM AND DIRECT THE DEPARTMENT TO ENTER INTO

1 DISCUSSIONS WITH THE PRIVATE CONTRACTOR CONCERNING AMENDMENTS TO
2 THE CONTRACT, OR THE DEPARTMENT MAY ENTER INTO SUCH DISCUSSION
3 IF IT DEEMS NECESSARY. THE COPAYMENT [OR DEDUCTIBLE SCHEDULE]
4 SHALL ONLY BE ADJUSTED ON AN ANNUAL BASIS.

5 * * *

6 SECTION 521. PENALTIES.

7 * * *

8 (B) CIVIL PENALTY.--IN ADDITION TO ANY APPROPRIATE CRIMINAL
9 PENALTY FOR PROHIBITED ACTS UNDER THIS CHAPTER WHETHER OR NOT
10 THAT ACT CONSTITUTES A CRIME UNDER 18 PA.C.S. (RELATING TO
11 CRIMES AND OFFENSES), A PROVIDER WHO VIOLATES THIS SECTION MAY
12 BE LIABLE FOR A CIVIL PENALTY IN AN AMOUNT NOT LESS THAN \$500
13 AND NOT MORE THAN \$10,000 FOR EACH VIOLATION OF THIS ACT WHICH
14 SHALL BE COLLECTED BY THE DEPARTMENT. EACH VIOLATION CONSTITUTES
15 A SEPARATE OFFENSE. IF THE DEPARTMENT COLLECTS THREE OR MORE
16 CIVIL PENALTIES AGAINST THE SAME PROVIDER, THE PROVIDER SHALL BE
17 INELIGIBLE TO PARTICIPATE IN [EITHER] PACE [OR PACENET] FOR A
18 PERIOD OF ONE YEAR. IF MORE THAN THREE CIVIL PENALTIES ARE
19 COLLECTED FROM ANY PROVIDER, THE DEPARTMENT MAY DETERMINE THAT
20 THE PROVIDER IS PERMANENTLY INELIGIBLE TO PARTICIPATE IN PACE
21 [OR PACENET].

22 * * *

23 (D) REPAYMENT OF GAIN.--ANY PROVIDER, RECIPIENT OR OTHER
24 PERSON WHO IS FOUND GUILTY OF A CRIME FOR VIOLATING THIS CHAPTER
25 SHALL REPAY THREE TIMES THE VALUE OF THE MATERIAL GAIN RECEIVED.
26 IN ADDITION TO THE CIVIL PENALTY AUTHORIZED PURSUANT TO
27 SUBSECTION (B), THE DEPARTMENT MAY REQUIRE THE PROVIDER,
28 RECIPIENT OR OTHER PERSON TO REPAY UP TO THREE TIMES THE VALUE
29 OF ANY MATERIAL GAIN TO PACE [OR PACENET].

30 SECTION 3. THE DEFINITIONS OF "COVERED PRESCRIPTION DRUG,"

1 "PACENET" AND "PROVIDER" IN SECTION 702 OF THE ACT, ADDED
2 NOVEMBER 21, 1996 (P.L.741, NO.134), ARE AMENDED TO READ:
3 SECTION 702. DEFINITIONS.

4 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
5 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
6 CONTEXT CLEARLY INDICATES OTHERWISE:

7 * * *

8 "COVERED PRESCRIPTION DRUG." A LEGEND DRUG, INSULIN, AN
9 INSULIN SYRINGE OR AN INSULIN NEEDLE ELIGIBLE FOR PAYMENT BY THE
10 COMMONWEALTH UNDER PACE[, PACENET] OR DESIGNATED PHARMACEUTICAL
11 PROGRAMS.

12 * * *

13 ["PACENET." THE PROGRAM ESTABLISHED UNDER SECTION 519.]

14 * * *

15 "PROVIDER." A LICENSED PHARMACY OR DISPENSING PHYSICIAN
16 ENROLLED AS A PROVIDER IN PACE[, PACENET] OR DESIGNATED
17 PHARMACEUTICAL PROGRAMS.

18 * * *

19 SECTION 4. SECTIONS 703, 704(B)(1), 705, 706(B) AND 709 OF
20 THE ACT, ADDED NOVEMBER 21, 1996 (P.L.741, NO.134), ARE AMENDED
21 TO READ:

22 SECTION 703. REBATE AGREEMENT.

23 (A) REQUIREMENT.--PACE[, PACENET] AND DESIGNATED
24 PHARMACEUTICAL PROGRAMS SHALL NOT REIMBURSE FOR ANY COVERED
25 PRESCRIPTION DRUG WITHOUT A REBATE AGREEMENT BETWEEN THE
26 DEPARTMENT AND THE MANUFACTURER OF THE COVERED PRESCRIPTION
27 DRUG.

28 (B) EXCEPTION.--SUBSECTION (A) SHALL NOT APPLY IF THE
29 AVAILABILITY OF THE DRUG IS ESSENTIAL TO THE HEALTH OF ELIGIBLE
30 CLAIMANTS AS DETERMINED BY THE DEPARTMENT.

(C) AGREEMENTS.--MANUFACTURERS OF PRESCRIPTION DRUGS REIMBURSED UNDER PACE[, PACENET] AND DESIGNATED PHARMACEUTICAL PROGRAMS MUST ENTER INTO A REBATE AGREEMENT WITH THE DEPARTMENT UNDER THIS CHAPTER TO OBTAIN SUCH REIMBURSEMENT. NOTHING IN THIS CHAPTER SHALL BE DEEMED TO AFFECT OR IMPAIR ANY AGREEMENT MADE UNDER THE FORMER PROVISIONS OF CHAPTER 6 OF THE ACT OF AUGUST 14, 1991 (P.L.342, NO.36), KNOWN AS THE LOTTERY FUND PRESERVATION ACT.

(D) NOTICE.--THE DEPARTMENT SHALL NOTIFY ENROLLED PROVIDERS OF PACE[, PACENET] AND DESIGNATED PHARMACEUTICAL PROGRAMS ON AN ANNUAL BASIS AND, AS APPROPRIATE, OF ALL MANUFACTURERS WHO HAVE ENTERED INTO A REBATE AGREEMENT.

(E) DRUG FORMULARY.--EXCEPT AS PROVIDED IN SECTION 512, THERE SHALL BE NO DRUG FORMULARY, PRIOR OR RETROACTIVE APPROVAL SYSTEM OR ANY SIMILAR RESTRICTION IMPOSED ON THE COVERAGE OF OUTPATIENT DRUGS MADE BY MANUFACTURERS WHO HAVE AGREEMENTS IN EFFECT WITH THE COMMONWEALTH TO PAY REBATES FOR DRUGS UTILIZED IN PACE [AND PACENET], PROVIDED THAT SUCH OUTPATIENT DRUGS WERE APPROVED FOR MARKETING BY THE FOOD AND DRUG ADMINISTRATION. THIS SUBSECTION SHALL NOT APPLY TO ANY ACT TAKEN BY THE DEPARTMENT PURSUANT TO ITS THERAPEUTIC DRUG UTILIZATION REVIEW PROGRAM UNDER SECTION 505.

SECTION 704. TERMS OF REBATE AGREEMENT.

* * *

(B) INFORMATION.--

(1) THE DEPARTMENT SHALL REPORT TO EACH MANUFACTURER, NOT LATER THAN 60 DAYS AFTER THE END OF EACH CALENDAR QUARTER, INFORMATION BY ZIP CODE OF PROVIDER ON THE TOTAL NUMBER OF DOSAGE UNITS OF EACH COVERED PRESCRIPTION DRUG REIMBURSED UNDER PACE[, PACENET] AND DESIGNATED

1 PHARMACEUTICAL PROGRAMS DURING THE QUARTER.

2 * * *

3 SECTION 705. AMOUNT OF REBATE.

4 (A) SINGLE-SOURCE DRUGS AND INNOVATOR MULTIPLE-SOURCE
5 DRUGS.--WITH RESPECT TO SINGLE-SOURCE DRUGS AND INNOVATOR
6 MULTIPLE-SOURCE DRUGS, EACH MANUFACTURER SHALL REMIT A REBATE TO
7 THE COMMONWEALTH. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION,
8 THE AMOUNT OF THE REBATE TO THE COMMONWEALTH PER CALENDAR
9 QUARTER WITH RESPECT TO EACH DOSAGE FORM AND STRENGTH OF SINGLE-
10 SOURCE DRUGS AND INNOVATOR MULTIPLE-SOURCE DRUGS SHALL BE AS
11 FOLLOWS:

12 (1) FOR QUARTERS BEGINNING AFTER SEPTEMBER 30, 1992, AND
13 ENDING BEFORE JANUARY 1, 1997, THE PRODUCT OF THE TOTAL
14 NUMBER OF UNITS OF EACH DOSAGE FORM AND STRENGTH REIMBURSED
15 BY PACE AND GENERAL ASSISTANCE IN THE QUARTER AND THE
16 DIFFERENCE BETWEEN THE AVERAGE MANUFACTURER PRICE AND 85% OF
17 THAT PRICE, AFTER DEDUCTING CUSTOMARY PROMPT PAYMENT
18 DISCOUNTS, FOR THE QUARTER.

19 (2) FOR QUARTERS BEGINNING AFTER DECEMBER 31, 1996, THE
20 PRODUCT OF THE TOTAL NUMBER OF UNITS OF EACH DOSAGE FORM AND
21 STRENGTH REIMBURSED BY PACE[, PACENET] AND DESIGNATED
22 PHARMACEUTICAL PROGRAMS IN THE QUARTER AND THE DIFFERENCE
23 BETWEEN THE AVERAGE MANUFACTURER PRICE AND 83% OF THAT PRICE,
24 AFTER DEDUCTING CUSTOMARY PROMPT PAYMENT DISCOUNTS.

25 (B) REBATE FOR OTHER DRUGS.--

26 (1) THE AMOUNT OF THE REBATE TO THE COMMONWEALTH FOR A
27 CALENDAR QUARTER WITH RESPECT TO COVERED PRESCRIPTION DRUGS
28 WHICH ARE NONINNOVATOR MULTIPLE-SOURCE DRUGS SHALL BE EQUAL
29 TO THE PRODUCT OF:

30 (I) THE APPLICABLE PERCENTAGE OF THE AVERAGE

1 MANUFACTURER PRICE, AFTER DEDUCTING CUSTOMARY PROMPT
2 PAYMENT DISCOUNTS, FOR EACH DOSAGE FORM AND STRENGTH OF
3 SUCH DRUGS FOR THE QUARTER; AND

4 (II) THE NUMBER OF UNITS OF SUCH FORM AND DOSAGE
5 REIMBURSED BY PACE AND GENERAL ASSISTANCE IN THE QUARTER.

6 (2) FOR THE PURPOSES OF PARAGRAPH (1), THE APPLICABLE
7 PERCENTAGE FOR CALENDAR QUARTERS BEGINNING AFTER SEPTEMBER
8 30, 1992, AND ENDING BEFORE JANUARY 1, 1997, IS 11%.

9 (C) REVISED REBATE FOR OTHER DRUGS.--BEGINNING AFTER
10 DECEMBER 31, 1996:

11 (1) THE AMOUNT OF THE REBATE TO THE COMMONWEALTH FOR A
12 CALENDAR QUARTER WITH RESPECT TO COVERED PRESCRIPTION DRUGS
13 WHICH ARE NONINNOVATOR MULTIPLE-SOURCE DRUGS SHALL BE THE
14 GREATER OF THE PRODUCT OF:

15 (I) THE APPLICABLE PERCENTAGE OF THE AVERAGE
16 MANUFACTURER PRICE, AFTER DEDUCTING CUSTOMARY PROMPT
17 PAYMENT DISCOUNTS, FOR EACH DOSAGE FORM AND STRENGTH OF
18 SUCH DRUGS FOR THE QUARTER; AND

19 (II) THE NUMBER OF UNITS OF SUCH FORM AND DOSAGE
20 REIMBURSED BY PACE[, PACENET] AND DESIGNATED
21 PHARMACEUTICAL PROGRAMS IN THE QUARTER.

22 (2) FOR PURPOSES OF PARAGRAPH (1), THE APPLICABLE
23 PERCENTAGE IS 17%.

24 (D) DRUGS APPROVED AFTER ACT TAKES EFFECT.--IN THE CASE OF A
25 COVERED OUTPATIENT DRUG APPROVED FOR MARKETING AFTER THE
26 EFFECTIVE DATE OF THE ACT OF AUGUST 14, 1991 (P.L.342, NO.36),
27 KNOWN AS THE LOTTERY FUND PRESERVATION ACT, ANY REFERENCE TO
28 JANUARY 1, 1991, SHALL BE A REFERENCE TO THE FIRST DAY OF THE
29 FIRST MONTH DURING WHICH THE DRUG WAS MARKETED.

30 SECTION 706. EXCESSIVE PHARMACEUTICAL PRICE INFLATION DISCOUNT.

1 * * *

2 (B) REVISED GENERAL RULE.--A DISCOUNT SHALL BE PROVIDED TO
3 THE DEPARTMENT FOR ALL COVERED PRESCRIPTION DRUGS. THE DISCOUNT
4 SHALL BE CALCULATED AS FOLLOWS:

5 (1) FOR EACH QUARTER FOR WHICH A REBATE UNDER SECTION
6 705(A) AND (C) IS TO BE PAID AFTER DECEMBER 31, 1996, THE
7 AVERAGE MANUFACTURER PRICE FOR EACH DOSAGE FORM AND STRENGTH
8 OF A COVERED PRESCRIPTION DRUG SHALL BE COMPARED TO THE
9 AVERAGE MANUFACTURER PRICE FOR THE SAME FORM AND STRENGTH IN
10 THE PREVIOUS CALENDAR YEAR AND A PERCENTAGE INCREASE SHALL BE
11 CALCULATED.

12 (2) FOR EACH QUARTER UNDER PARAGRAPH (1), THE AVERAGE
13 PERCENTAGE INCREASE IN THE CONSUMER PRICE INDEX-URBAN OVER
14 THE SAME QUARTER IN THE PREVIOUS CALENDAR YEAR SHALL BE
15 CALCULATED.

16 (3) IF THE CALCULATION UNDER PARAGRAPH (1) IS GREATER
17 THAN THE CALCULATION UNDER PARAGRAPH (2), THE DISCOUNT AMOUNT
18 FOR EACH QUARTER SHALL BE EQUAL TO THE PRODUCT OF:

19 (I) THE DIFFERENCE BETWEEN THE CALCULATIONS UNDER
20 PARAGRAPHS (1) AND (2); AND

21 (II) THE TOTAL NUMBER OF UNITS OF EACH DOSAGE FORM
22 AND STRENGTH REIMBURSED BY PACE[, PACENET] AND DESIGNATED
23 PHARMACEUTICAL PROGRAMS AND THE AVERAGE MANUFACTURER
24 PRICE REPORTED BY THE MANUFACTURER UNDER SECTION
25 704(C)(1).

26 * * *

27 SECTION 709. DISPOSITION OF FUNDS.

28 (A) PACE [AND PACENET].--MONEY RECEIVED UNDER THIS CHAPTER
29 IN CONNECTION WITH PACE [AND PACENET] SHALL BE DEPOSITED IN THE
30 PHARMACEUTICAL ASSISTANCE CONTRACT FOR THE ELDERLY FUND.

(B) DESIGNATED PHARMACEUTICAL PROGRAMS.--MONEY RECEIVED UNDER THIS CHAPTER IN CONNECTION WITH DESIGNATED PHARMACEUTICAL PROGRAMS SHALL BE TREATED AS A REFUND OF EXPENDITURES TO THE APPROPRIATION WHICH ORIGINALLY PROVIDED THE FUNDING FOR THE PHARMACEUTICAL PURCHASE.

SECTION 5. THE ACT IS AMENDED BY ADDING A CHAPTER TO READ:

CHAPTER 11

SENIOR CITIZENS REBATE AND ASSISTANCE ACT

SECTION 1101. SHORT TITLE OF CHAPTER.

THIS CHAPTER SHALL BE KNOWN AND MAY BE CITED AS THE SENIOR CITIZENS REBATE AND ASSISTANCE ACT.

SECTION 1102. DECLARATION OF POLICY.

IN RECOGNITION OF THE SEVERE ECONOMIC PLIGHT OF CERTAIN SENIOR CITIZENS, WIDOWS, WIDOWERS AND PERMANENTLY DISABLED PERSONS WHO ARE REAL PROPERTY OWNERS OR RENTERS WITH FIXED AND LIMITED INCOMES WHO ARE FACED WITH RISING LIVING COSTS AND CONSTANTLY INCREASING TAX AND INFLATION COST BURDENS WHICH THREATEN THEIR HOMESTEADS AND SELF-SUFFICIENCY, THE GENERAL ASSEMBLY, PURSUANT TO THE MANDATES OF THE CONSTITUTIONAL CONVENTION OF 1968, CONSIDERS IT TO BE A MATTER OF SOUND PUBLIC POLICY TO MAKE SPECIAL PROVISIONS FOR PROPERTY TAX REBATES OR RENT REBATES IN LIEU OF PROPERTY TAXES AND INFLATION DIVIDENDS TO THAT CLASS OF SENIOR CITIZENS, WIDOWS, WIDOWERS AND PERMANENTLY DISABLED PERSONS WHO ARE REAL PROPERTY TAXPAYERS OR RENTERS WHO ARE WITHOUT ADEQUATE MEANS OF SUPPORT TO ENABLE THEM TO REMAIN IN PEACEABLE POSSESSION OF THEIR HOMES AND RELIEVING THEIR ECONOMIC BURDEN AND TO PROVIDE TRANSPORTATION ASSISTANCE GRANTS AND TO PROVIDE GRANTS TO AREA AGENCIES ON AGING FOR SERVICES TO OLDER PERSONS.

SECTION 1103. DEFINITIONS.

1 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
2 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
3 CONTEXT CLEARLY INDICATES OTHERWISE:

4 "CLAIMANT." A PERSON WHO FILES A CLAIM FOR PROPERTY TAX
5 REBATE OR RENT REBATE IN LIEU OF PROPERTY TAXES AND INFLATION
6 DIVIDEND AND WAS 65 YEARS OF AGE OR OVER, OR WHOSE SPOUSE (IF A
7 MEMBER OF THE HOUSEHOLD) WAS 65 YEARS OF AGE OR OVER, DURING A
8 CALENDAR YEAR IN WHICH REAL PROPERTY TAXES, RENT AND INFLATION
9 COSTS WERE DUE AND PAYABLE OR WAS A WIDOW OR WIDOWER AND WAS 50
10 YEARS OF AGE OR OVER DURING A CALENDAR YEAR OR PART THEREOF IN
11 WHICH REAL PROPERTY TAXES, RENT AND INFLATION COSTS WERE DUE AND
12 PAYABLE, OR WAS A PERMANENTLY DISABLED PERSON 18 YEARS OF AGE OR
13 OVER DURING A CALENDAR YEAR OR PART THEREOF IN WHICH REAL
14 PROPERTY TAXES, RENT AND INFLATION COSTS WERE DUE AND PAYABLE.
15 FOR THE PURPOSES OF THIS CHAPTER, THE TERM "WIDOW" OR "WIDOWER"
16 SHALL MEAN THE SURVIVING WIFE OR THE SURVIVING HUSBAND, AS THE
17 CASE MAY BE, OF A DECEASED INDIVIDUAL AND WHO HAS NOT REMARRIED
18 EXCEPT AS PROVIDED IN SECTION 1104(D) AND (E). FOR THE PURPOSES
19 OF THIS CHAPTER, THE TERM "PERMANENTLY DISABLED PERSON" SHALL
20 MEAN A PERSON WHO IS UNABLE TO ENGAGE IN ANY SUBSTANTIAL GAINFUL
21 ACTIVITY BY REASON OF ANY MEDICALLY DETERMINABLE PHYSICAL OR
22 MENTAL IMPAIRMENT WHICH CAN BE EXPECTED TO CONTINUE
23 INDEFINITELY, EXCEPT AS PROVIDED IN SECTION 1104(D) AND (E).

24 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

25 "HOMESTEAD." A DWELLING, WHETHER OWNED OR RENTED, AND SO
26 MUCH OF THE LAND SURROUNDING IT, AS IS REASONABLY NECESSARY FOR
27 USE OF THE DWELLING AS A HOME, OCCUPIED BY A CLAIMANT. A
28 HOMESTEAD SHALL ALSO INCLUDE PREMISES OCCUPIED BY REASON OF
29 OWNERSHIP OR LEASE IN A COOPERATIVE HOUSING CORPORATION, MOBILE
30 HOMES WHICH ARE ASSESSED AS REALTY FOR LOCAL PROPERTY TAX

1 PURPOSES AND THE LAND, IF OWNED OR RENTED BY THE CLAIMANT, UPON
2 WHICH THE MOBILE HOME IS SITUATED, AND OTHER SIMILAR LIVING
3 ACCOMMODATIONS, AS WELL AS A PART OF A MULTIDWELLING OR
4 MULTIPURPOSE BUILDING AND A PART OF THE LAND UPON WHICH IT IS
5 BUILT. IT SHALL ALSO INCLUDE PREMISES OCCUPIED BY REASON OF THE
6 CLAIMANT'S OWNERSHIP OR RENTAL OF A DWELLING LOCATED ON LAND
7 OWNED BY A NONPROFIT INCORPORATED ASSOCIATION, OF WHICH THE
8 CLAIMANT IS A MEMBER, IF THE CLAIMANT IS REQUIRED TO PAY A PRO
9 RATA SHARE OF THE PROPERTY TAXES LEVIED AGAINST THE
10 ASSOCIATION'S LAND. IT SHALL ALSO INCLUDE PREMISES OCCUPIED BY A
11 CLAIMANT IF HE IS REQUIRED BY LAW TO PAY A PROPERTY TAX BY
12 REASON OF HIS OWNERSHIP OR RENTAL (INCLUDING A POSSESSORY
13 INTEREST) IN THE DWELLING, THE LAND, OR BOTH. AN OWNER INCLUDES
14 A PERSON IN POSSESSION UNDER A CONTRACT OF SALE, DEED OF TRUST,
15 LIFE ESTATE, JOINT TENANCY OR TENANCY IN COMMON OR BY REASON OF
16 STATUTES OF DESCENT AND DISTRIBUTION.

17 "HOUSEHOLD INCOME." ALL INCOME RECEIVED BY THE CLAIMANT AND
18 THE SPOUSE OF A CLAIMANT WHILE RESIDING IN THE HOMESTEAD DURING
19 THE CALENDAR YEAR FOR WHICH A REBATE AND DIVIDEND ARE CLAIMED.

20 "INCOME." ALL INCOME FROM WHATEVER SOURCE DERIVED,
21 INCLUDING, BUT NOT LIMITED TO, SALARIES, WAGES, BONUSES,
22 COMMISSIONS, INCOME FROM SELF-EMPLOYMENT, ALIMONY, SUPPORT
23 MONEY, CASH PUBLIC ASSISTANCE AND RELIEF, THE GROSS AMOUNT OF
24 ANY PENSIONS OR ANNUITIES INCLUDING RAILROAD RETIREMENT BENEFITS
25 FOR CALENDAR YEARS PRIOR TO 1998, AND 50% OF RAILROAD RETIREMENT
26 BENEFITS FOR CALENDAR YEARS 1998 AND THEREAFTER, ALL BENEFITS
27 RECEIVED UNDER THE FEDERAL SOCIAL SECURITY ACT (EXCEPT MEDICARE
28 BENEFITS) FOR CALENDAR YEARS PRIOR TO 1998, AND 50% OF ALL
29 BENEFITS RECEIVED UNDER THE FEDERAL SOCIAL SECURITY ACT (EXCEPT
30 MEDICARE BENEFITS) FOR CALENDAR YEARS 1998 AND THEREAFTER, ALL

1 BENEFITS RECEIVED UNDER STATE UNEMPLOYMENT INSURANCE LAWS AND
2 VETERANS' DISABILITY PAYMENTS, ALL INTEREST RECEIVED FROM THE
3 FEDERAL OR ANY STATE GOVERNMENT, OR ANY INSTRUMENTALITY OR
4 POLITICAL SUBDIVISION THEREOF, REALIZED CAPITAL GAINS, RENTALS,
5 WORKMEN'S COMPENSATION AND THE GROSS AMOUNT OF LOSS OF TIME
6 INSURANCE BENEFITS, LIFE INSURANCE BENEFITS AND PROCEEDS (EXCEPT
7 THE FIRST \$5,000 OF THE TOTAL OF DEATH BENEFIT PAYMENTS), AND
8 GIFTS OF CASH OR PROPERTY (OTHER THAN TRANSFERS BY GIFT BETWEEN
9 MEMBERS OF A HOUSEHOLD) IN EXCESS OF A TOTAL VALUE OF \$300, BUT
10 SHALL NOT INCLUDE SURPLUS FOOD OR OTHER RELIEF IN KIND SUPPLIED
11 BY A GOVERNMENTAL AGENCY OR PROPERTY TAX OR RENT REBATE OR
12 INFLATION DIVIDEND.

13 "INFLATION DIVIDEND." AN ADDITIONAL AMOUNT CALCULATED BY THE
14 DEPARTMENT IN ACCORDANCE WITH SECTION 1104(B).

15 "INFLATION EXPENSES." THE ADDITIONAL COSTS OF THOSE
16 ESSENTIAL CONSUMER NEEDS OF SENIOR CITIZENS IN THE COMMONWEALTH.
17 THOSE INFLATION EXPENSES INCLUDE, BUT ARE NOT LIMITED TO, THE
18 ADDITIONAL COST OF MEDICAL PRESCRIPTIONS, ENERGY NEEDS,
19 TRANSPORTATION AND FOOD AND CLOTHING ESSENTIALS.

20 "REAL PROPERTY TAXES." ALL TAXES ON A HOMESTEAD (EXCLUSIVE
21 OF MUNICIPAL ASSESSMENTS, DELINQUENT CHARGES, AND INTEREST) DUE
22 AND PAYABLE DURING A CALENDAR YEAR.

23 "RENT REBATE IN LIEU OF PROPERTY TAXES." TWENTY PERCENT OF
24 THE GROSS AMOUNT ACTUALLY PAID IN CASH OR ITS EQUIVALENT IN ANY
25 CALENDAR YEAR TO A LANDLORD IN CONNECTION WITH THE OCCUPANCY OF
26 A HOMESTEAD BY A CLAIMANT, IRRESPECTIVE OF WHETHER SUCH AMOUNT
27 CONSTITUTES PAYMENT SOLELY FOR THE RIGHT OF OCCUPANCY OR
28 OTHERWISE.

29 SECTION 1104. PROPERTY TAX; RENT REBATE AND INFLATION COST.

30 (A) DETERMINATION OF AMOUNT OF CLAIM.--THE AMOUNT OF ANY

1 CLAIM FOR PROPERTY TAX REBATE OR RENT REBATE IN LIEU OF PROPERTY
2 TAXES FOR REAL PROPERTY TAXES OR RENT DUE AND PAYABLE DURING
3 CALENDAR YEAR 1985 AND THEREAFTER SHALL BE DETERMINED IN
4 ACCORDANCE WITH THE FOLLOWING SCHEDULE:

5 PERCENTAGE OF REAL PROPERTY TAXES OR
6 RENT REBATE IN LIEU OF

7 HOUSEHOLD INCOME PROPERTY TAXES ALLOWED AS REBATE

8 \$ 0 - \$4,999 100%

9 5,000 - 5,499 100

10 5,500 - 5,999 90

11 6,000 - 6,499 80

12 6,500 - 6,999 70

13 7,000 - 7,499 60

14 7,500 - 7,999 50

15 8,000 - 8,499 40

16 8,500 - 8,999 35

17 9,000 - 9,999 25

18 10,000 - 11,999 20

19 12,000 - 12,999 15

20 13,000 - 15,000 10

21 (B) DETERMINATION OF INFLATION DIVIDEND.--TO ALL CLAIMANTS

22 ELIGIBLE FOR A PROPERTY TAX OR RENT REBATE PURSUANT TO

23 SUBSECTION (A) THERE SHALL BE PAID AN INFLATION DIVIDEND

24 DETERMINED IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

25 HOUSEHOLD INCOME DIVIDEND

26 \$ 0 - 4,999 \$125

27 5,000 - 5,499 100

28 5,500 - 5,999 100

29 6,000 - 6,499 75

30 6,500 - 6,999 75

1	<u>7,000 - 7,499</u>	<u>60</u>
2	<u>7,500 - 7,999</u>	<u>60</u>
3	<u>8,000 - 8,499</u>	<u>45</u>
4	<u>8,500 - 8,999</u>	<u>45</u>
5	<u>9,000 - 9,999</u>	<u>30</u>
6	<u>10,000 - 11,999</u>	<u>30</u>
7	<u>12,000 - 12,999</u>	<u>30</u>
8	<u>13,000 - 15,000</u>	<u>20</u>

9 (C) LIMITATION ON CLAIMS.--NO CLAIM SHALL BE ALLOWED IF THE
10 AMOUNT OF PROPERTY TAX OR RENT REBATE COMPUTED IN ACCORDANCE
11 WITH THIS SECTION IS LESS THAN \$10, AND THE MAXIMUM AMOUNT OF
12 PROPERTY TAX OR RENT REBATE PAYABLE SHALL NOT EXCEED \$500.

13 (D) FURTHER LIMITATION ON CLAIMS.--NO CLAIM SHALL BE ALLOWED
14 IF THE CLAIMANT IS A TENANT OF AN OWNER OF REAL PROPERTY EXEMPT
15 FROM REAL PROPERTY TAXES.

16 (E) APPORTIONMENT OF CLAIM.--IF A HOMESTEAD IS OWNED OR
17 RENTED AND OCCUPIED FOR ONLY A PORTION OF A YEAR OR IS OWNED OR
18 RENTED IN PART BY A PERSON WHO DOES NOT MEET THE QUALIFICATIONS
19 FOR A CLAIMANT, EXCLUSIVE OF ANY INTEREST OWNED OR LEASED BY A
20 CLAIMANT'S SPOUSE, OR IF THE CLAIMANT IS A WIDOW OR WIDOWER WHO
21 REMARRIES, OR IF THE CLAIMANT IS A PERMANENTLY DISABLED PERSON
22 WHO IS NO LONGER DISABLED, THE DEPARTMENT SHALL APPORTION THE
23 REAL PROPERTY TAXES OR RENT IN ACCORDANCE WITH THE PERIOD OR
24 DEGREE OF OWNERSHIP OR LEASEHOLD OR ELIGIBILITY OF THE CLAIMANT
25 IN DETERMINING THE AMOUNT OF REBATE FOR WHICH A CLAIMANT IS
26 ELIGIBLE. A CLAIMANT WHO RECEIVES PUBLIC ASSISTANCE FROM THE
27 DEPARTMENT OF PUBLIC WELFARE SHALL NOT BE ELIGIBLE FOR RENT
28 REBATE IN LIEU OF PROPERTY TAXES, OR AN INFLATION DIVIDEND
29 DURING THOSE MONTHS WITHIN WHICH HE RECEIVES PUBLIC ASSISTANCE.

30 (F) SUBSIDIES EXCLUDED FROM AMOUNT OF RENT.--RENT SHALL NOT

1 INCLUDE SUBSIDIES PROVIDED BY OR THROUGH A GOVERNMENTAL AGENCY.

2 SECTION 1105. FILING OF CLAIM.

3 A CLAIM FOR PROPERTY TAX OR RENT REBATE AND INFLATION
4 DIVIDEND SHALL BE FILED WITH THE DEPARTMENT ON OR BEFORE JUNE 30
5 OF THE YEAR NEXT SUCCEEDING THE END OF THE CALENDAR YEAR IN
6 WHICH REAL PROPERTY TAXES OR RENT WERE DUE AND PAYABLE. CLAIMS
7 FILED AFTER THE JUNE 30 DEADLINE UNTIL DECEMBER 31 OF SUCH
8 CALENDAR YEAR SHALL BE ACCEPTED BY THE SECRETARY OF REVENUE AS
9 LONG AS FUNDS ARE AVAILABLE TO PAY THE BENEFITS TO THE LATE
10 FILING CLAIMANTS. NO REIMBURSEMENT ON A CLAIM SHALL BE MADE FROM
11 THE STATE LOTTERY FUND EARLIER THAN THE DAY FOLLOWING JUNE 30
12 PROVIDED IN THIS CHAPTER ON WHICH THAT CLAIM MAY BE FILED WITH
13 THE DEPARTMENT. ONLY ONE CLAIMANT FROM A HOMESTEAD EACH YEAR
14 SHALL BE ENTITLED TO THE PROPERTY TAX OR RENT REBATE AND
15 INFLATION DIVIDEND. IF TWO OR MORE PERSONS ARE ABLE TO MEET THE
16 QUALIFICATIONS FOR A CLAIMANT, THEY MAY DETERMINE WHO THE
17 CLAIMANT SHALL BE. IF THEY ARE UNABLE TO AGREE, THE DEPARTMENT
18 SHALL DETERMINE TO WHOM THE REBATE AND DIVIDEND IS TO BE PAID.

19 SECTION 1106. PROOF OF CLAIM.

20 EACH CLAIM SHALL INCLUDE REASONABLE PROOF OF HOUSEHOLD
21 INCOME, THE SIZE AND NATURE OF THE PROPERTY CLAIMED AS A
22 HOMESTEAD AND THE RENT OR TAX RECEIPT, OR OTHER PROOF THAT THE
23 REAL PROPERTY TAXES ON THE HOMESTEAD HAVE BEEN PAID, OR RENT IN
24 CONNECTION WITH THE OCCUPANCY OF A HOMESTEAD HAS BEEN PAID. IF
25 THE CLAIMANT IS A WIDOW, OR WIDOWER, A DECLARATION OF SUCH
26 STATUS IN SUCH MANNER AS PRESCRIBED BY THE SECRETARY OF REVENUE
27 SHALL BE INCLUDED. PROOF THAT A CLAIMANT IS ELIGIBLE TO RECEIVE
28 DISABILITY BENEFITS UNDER THE FEDERAL SOCIAL SECURITY ACT SHALL
29 CONSTITUTE PROOF OF DISABILITY UNDER THIS CHAPTER. NO PERSON WHO
30 HAS BEEN FOUND NOT TO BE DISABLED BY THE SOCIAL SECURITY

1 ADMINISTRATION SHALL BE GRANTED A REBATE OR DIVIDEND UNDER THIS
2 CHAPTER. A CLAIMANT NOT COVERED UNDER THE FEDERAL SOCIAL
3 SECURITY ACT SHALL BE EXAMINED BY A PHYSICIAN DESIGNATED BY THE
4 DEPARTMENT AND SUCH STATUS DETERMINED USING THE SAME STANDARDS
5 USED BY THE SOCIAL SECURITY ADMINISTRATION. IT SHALL NOT BE
6 NECESSARY THAT SUCH TAXES OR RENT WERE PAID DIRECTLY BY THE
7 CLAIMANT PROVIDED THAT THE RENT OR TAXES HAVE BEEN PAID WHEN THE
8 CLAIM IS FILED. THE FIRST CLAIM FILED SHALL INCLUDE PROOF THAT
9 THE CLAIMANT OR HIS SPOUSE WAS 65 YEARS OF AGE OR OVER OR 50
10 YEARS OF AGE OR OVER IN THE CASE OF A WIDOW, OR WIDOWER, DURING
11 THE CALENDAR YEAR IN WHICH REAL PROPERTY TAXES OR RENT WERE DUE
12 AND PAYABLE.

13 SECTION 1107. INCORRECT CLAIM.

14 WHENEVER ON AUDIT OF ANY CLAIM, THE DEPARTMENT FINDS THE
15 CLAIM TO HAVE BEEN INCORRECTLY DETERMINED, IT SHALL REDETERMINE
16 THE CORRECT AMOUNT OF THE CLAIM AND NOTIFY THE CLAIMANT OF THE
17 REASON OF THE REDETERMINATION AND THE AMOUNT OF THE CORRECTED
18 CLAIM.

19 SECTION 1108. FUNDS FOR PAYMENT OF ADMINISTRATIVE EXPENSES AND
20 CLAIMS.

21 EXPENSES, SALARIES AND OTHER COSTS INCURRED IN THE
22 ADMINISTRATION OF THIS CHAPTER AND APPROVED CLAIMS SHALL BE PAID
23 FROM THE STATE LOTTERY FUND ESTABLISHED UNDER SECTION 311. IN
24 THE EVENT THAT THE TOTAL AMOUNT OF ADMINISTRATIVE EXPENSES AND
25 CLAIMS EXCEEDS THE AMOUNT IN SUCH FUND, IN ANY ONE YEAR, THE
26 GENERAL ASSEMBLY MAY APPROPRIATE SUFFICIENT FUNDS FROM THE
27 GENERAL FUND TO COVER THE EXCESS COSTS. FOR THE PURPOSES OF THIS
28 SECTION, THE AMOUNT IN THE STATE LOTTERY FUND SHALL INCLUDE THE
29 JUNE 30 ENDING LOTTERY FUND BALANCE PLUS 80% OF PROJECTED
30 LOTTERY FUND REVENUES AFTER LOTTERY FUND ADMINISTRATIVE EXPENSES

1 FOR THE SUBSEQUENT FISCAL YEAR.

2 SECTION 1109. CLAIM FORMS AND RULES AND REGULATIONS.

3 NECESSARY RULES AND REGULATIONS SHALL BE PRESCRIBED BY A
4 COMMITTEE CONSISTING OF THE SECRETARY OF AGING, THE SECRETARY OF
5 REVENUE AND THE SECRETARY OF COMMUNITY AND ECONOMIC DEVELOPMENT.
6 THE SECRETARY OF AGING SHALL SERVE AS THE CHAIRMAN OF THE
7 COMMITTEE. THE DEPARTMENT OF REVENUE SHALL RECEIVE ALL
8 APPLICATIONS, DETERMINE THE ELIGIBILITY OF CLAIMANTS, HEAR
9 APPEALS, DISBURSE PAYMENTS, AND MAKE AVAILABLE SUITABLE FORMS
10 FOR THE FILING OF CLAIMS.

11 SECTION 1110. FRAUDULENT CLAIM; CONVEYANCE TO OBTAIN BENEFITS.

12 (A) GENERAL RULE.--IN ANY CASE IN WHICH A CLAIM IS EXCESSIVE
13 AND WAS FILED WITH FRAUDULENT INTENT, THE CLAIM SHALL BE
14 DISALLOWED IN FULL AND A PENALTY OF 25% OF THE AMOUNT CLAIMED
15 SHALL BE IMPOSED. THE PENALTY AND THE AMOUNT OF THE DISALLOWED
16 CLAIM, IF THE CLAIM HAS BEEN PAID, SHALL BEAR INTEREST AT THE
17 RATE OF 1/2 OF 1% PER MONTH FROM THE DATE OF THE CLAIM UNTIL
18 REPAID. THE CLAIMANT AND ANY PERSON WHO ASSISTED IN THE
19 PREPARATION OR FILING OF A FRAUDULENT CLAIM SHALL BE GUILTY OF A
20 MISDEMEANOR, AND, UPON CONVICTION THEREOF, SHALL BE SENTENCED TO
21 PAY A FINE NOT EXCEEDING \$1,000, OR UNDERGO IMPRISONMENT NOT
22 EXCEEDING ONE YEAR, OR BOTH.

23 (B) DISALLOWANCE OF CERTAIN CLAIMS.--A CLAIM SHALL BE
24 DISALLOWED IF THE CLAIMANT RECEIVED TITLE TO THE HOMESTEAD
25 PRIMARILY FOR THE PURPOSE OF RECEIVING PROPERTY TAX REBATE.

26 SECTION 1111. PETITION FOR REDETERMINATION.

27 (A) PROCEDURES.--ANY CLAIMANT WHOSE CLAIM IS EITHER DENIED,
28 CORRECTED OR OTHERWISE ADVERSELY AFFECTED BY THE DEPARTMENT, MAY
29 FILE WITH THE DEPARTMENT A PETITION FOR REDETERMINATION ON FORMS
30 SUPPLIED BY THE DEPARTMENT WITHIN 90 DAYS AFTER THE DATE OF

MAILING OF WRITTEN NOTICE BY THE DEPARTMENT OF SUCH ACTION. THE PETITION SHALL SET FORTH THE GROUNDS UPON WHICH CLAIMANT ALLEGES THAT SUCH DEPARTMENTAL ACTION IS ERRONEOUS OR UNLAWFUL, IN WHOLE OR PART, AND SHALL CONTAIN AN AFFIDAVIT OR AFFIRMATION THAT THE FACTS CONTAINED THEREIN ARE TRUE AND CORRECT. AN EXTENSION OF TIME FOR FILING THE PETITION MAY BE ALLOWED FOR CAUSE BUT NOT TO EXCEED 120 DAYS. THE DEPARTMENT SHALL HOLD SUCH HEARINGS AS MAY BE NECESSARY FOR THE PURPOSE OF REDETERMINATION, AND EACH CLAIMANT WHO HAS DULY FILED SUCH PETITION FOR REDETERMINATION SHALL BE NOTIFIED BY THE DEPARTMENT OF THE TIME WHEN, AND THE PLACE WHERE, SUCH HEARING IN HIS CASE WILL BE HELD.

(B) DISPOSITION TIME LIMIT.--IT SHALL BE THE DUTY OF THE DEPARTMENT, WITHIN SIX MONTHS AFTER RECEIVING A FILED PETITION FOR REDETERMINATION, TO DISPOSE OF THE MATTERS RAISED BY SUCH PETITION AND MAIL NOTICE OF THE DEPARTMENT'S DECISION TO THE CLAIMANT.

SECTION 1112. REVIEW BY BOARD OF FINANCE AND REVENUE.

WITHIN 90 DAYS AFTER THE DATE OF OFFICIAL RECEIPT BY THE CLAIMANT OF NOTICE MAILED BY THE DEPARTMENT OF ITS DECISION ON ANY PETITION FOR REDETERMINATION FILED WITH IT, THE CLAIMANT WHO IS ADVERSELY AFFECTED BY SUCH DECISION MAY BY PETITION REQUEST THE BOARD OF FINANCE AND REVENUE TO REVIEW SUCH ACTION. THE FAILURE OF THE DEPARTMENT TO OFFICIALLY NOTIFY THE CLAIMANT OF A DECISION WITHIN THE SIX-MONTH PERIOD PROVIDED FOR BY SECTION 1111 SHALL ACT AS A DENIAL OF SUCH PETITION, AND A PETITION FOR REVIEW MAY BE FILED WITH THE BOARD OF FINANCE AND REVENUE WITHIN 120 DAYS AFTER WRITTEN NOTICE IS OFFICIALLY RECEIVED BY THE CLAIMANT THAT THE DEPARTMENT HAS FAILED TO DISPOSE OF THE PETITION WITHIN THE SIX-MONTH PERIOD PRESCRIBED BY SECTION 1111. EVERY PETITION FOR REDETERMINATION FILED HEREUNDER SHALL STATE

1 THE REASONS UPON WHICH THE CLAIMANT RELIES, OR SHALL INCORPORATE
2 BY REFERENCE THE PETITION FOR REDETERMINATION IN WHICH SUCH
3 REASONS SHALL HAVE BEEN STATED. THE PETITION SHALL BE SUPPORTED
4 BY AFFIDAVIT THAT THE FACTS SET FORTH THEREIN ARE CORRECT AND
5 TRUE. THE BOARD OF FINANCE AND REVENUE SHALL ACT IN DISPOSITION
6 OF SUCH PETITIONS FILED WITH IT WITHIN SIX MONTHS AFTER THEY
7 HAVE BEEN RECEIVED, AND IN THE EVENT OF FAILURE OF SAID BOARD TO
8 DISPOSE OF ANY SUCH PETITION WITHIN SIX MONTHS, THE ACTION TAKEN
9 BY THE DEPARTMENT UPON THE PETITION FOR REDETERMINATION SHALL BE
10 DEEMED SUSTAINED. THE BOARD OF FINANCE AND REVENUE MAY SUSTAIN
11 THE ACTION TAKEN BY THE DEPARTMENT ON THE PETITION FOR
12 REDETERMINATION OR IT MAY TAKE SUCH OTHER ACTION AS IT SHALL
13 DEEM IS NECESSARY AND CONSISTENT WITH PROVISIONS OF THIS
14 CHAPTER. NOTICE OF THE ACTION OF THE BOARD OF FINANCE AND
15 REVENUE SHALL BE GIVEN BY MAIL TO THE DEPARTMENT AND TO THE
16 CLAIMANT.

17 SECTION 1113. APPEAL.

18 ANY CLAIMANT, AGGRIEVED BY THE DECISION OF THE BOARD OF
19 FINANCE AND REVENUE MAY APPEAL FROM THE DECISION OF THE BOARD OF
20 FINANCE AND REVENUE, IN THE MANNER NOW OR HEREAFTER PROVIDED BY
21 LAW FOR APPEALS FROM DECISIONS OF SAID BOARD IN TAX CASES.

22 SECTION 6. SECTION 2102 OF THE ACT, ADDED NOVEMBER 21, 1996
23 (P.L.741, NO.134), IS AMENDED TO READ:

24 SECTION 2102. ANNUAL REPORT TO GENERAL ASSEMBLY.

25 (A) SUBMISSION OF REPORT.--THE DEPARTMENT SHALL SUBMIT A
26 REPORT NO LATER THAN APRIL 1 OF EACH YEAR TO THE CHAIRMAN AND
27 MINORITY CHAIRMAN OF THE AGING AND YOUTH COMMITTEE OF THE
28 SENATE, THE CHAIRMAN AND MINORITY CHAIRMAN OF THE AGING AND
29 YOUTH COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND THE
30 PHARMACEUTICAL ASSISTANCE REVIEW BOARD.

1 (B) COLLECTION OF DATA.--THE DEPARTMENT SHALL MAINTAIN
2 MONTHLY STATISTICAL RECORDS ON PACE [AND PACENET], INCLUDING THE
3 LEVEL OF PARTICIPATION AND ANY PATTERNS OF UNUSUAL DRUG USAGE
4 FOR PURPOSES OF FORMULATING THE ANNUAL REPORT.

5 (C) INFORMATION FOR INCLUSION IN ANNUAL REPORT.--THE ANNUAL
6 REPORT SHALL CONTAIN, BUT NOT BE LIMITED TO, ALL INFORMATION
7 RELATING TO:

8 (1) THE NUMBER OF PERSONS SERVED BY PACE [AND PACENET]
9 AND THEIR COUNTIES OF RESIDENCE.

10 (2) A BREAKDOWN OF THE NUMBERS AND KINDS OF
11 PHARMACEUTICALS USED.

12 (3) THE COST OF PRESCRIPTIONS.

13 (4) AN ESTIMATE OF ACTUAL EXPENSES INCURRED BY
14 PHARMACISTS PARTICIPATING IN THE PROGRAM.

15 (5) THE RESULTS OBTAINED BY THE DRUG EDUCATION PROGRAM
16 UNDER SECTION 522.

17 (6) INFORMATION REGARDING THE OPERATION OF THE
18 THERAPEUTIC DRUG UTILIZATION REVIEW SYSTEM FOR THE PRIOR
19 CALENDAR YEAR, WHICH SHALL INCLUDE, AT A MINIMUM:

20 (I) THE SCOPE OF PHYSICIAN AND PHARMACIST
21 PARTICIPATION IN THE SYSTEM.

22 (II) A DESCRIPTION OF CLAIMANT RESPONSE TO THE
23 SYSTEM.

24 (III) DATA FOR EACH MONTH OF THE COVERED PERIOD
25 REGARDING THE NUMBER OF PRESCRIPTION REVISIONS BASED ON
26 UTILIZATION REVIEW, INCLUDING DRUG INFORMATION, COST
27 SAVINGS AND THE POLICY USED BY THE DEPARTMENT TO MAKE
28 UTILIZATION REVIEW DECISIONS.

29 (7) INFORMATION ON THE EXISTENCE AND SCOPE OF FRAUDULENT
30 ACTIVITY AND VIOLATIONS OF THIS ACT BY PROVIDERS

PARTICIPATING IN PACE [AND PACENET].

(8) INFORMATION REGARDING THE FINANCIAL STATUS OF PACE [AND PACENET], INCLUDING, BUT NOT LIMITED TO, THE ADEQUACY OF ANY APPLICABLE DEDUCTIBLE AND COPAYMENT LEVELS, BASED UPON THE FINANCIAL EXPERIENCE AND PROJECTIONS OF PACE [AND PACENET].

~~Section 2. This act~~ SECTION 7. THE ADDITION OF CHAPTER 11 OF THE ACT shall be retroactive to January 1, 1998 and shall apply to claims filed for the 1998 calendar year and each year thereafter.

~~Section 3. This act shall take effect immediately.~~

SECTION 8. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

(1) THE ADDITION OF CHAPTER 11 OF THE ACT SHALL TAKE EFFECT IMMEDIATELY.

(2) SECTION 7 AND THIS SECTION SHALL TAKE EFFECT IMMEDIATELY.

(3) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IN 60 DAYS.