

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 201 Session of
1997

INTRODUCED BY HERMAN, BARLEY, BROWNE, NAILOR, HUTCHINSON,
RUBLEY, SAYLOR, GORDNER, YOUNGBLOOD, STAIRS, VANCE, WALKO,
MELIO, TRELLO, M. N. WRIGHT, KENNEY, HERSHEY, GODSHALL,
PLATTS, WAUGH, BATTISTO, STURLA, CLYMER, MAITLAND, RAYMOND,
GEIST, GANNON, COY, NICKOL, TRUE, STETLER, SCHULER, PESCI,
COLAFELLA, JADLOWIEC, HORSEY, CLARK, KAISER, SEMMEL, FICHTER,
MICOZZIE, TIGUE, SANTONI, SHANER, MILLER, MUNDY, HENNESSEY,
WOGAN, ARGALL, STABACK, SAINATO, COLAIZZO, FAIRCHILD,
TRAVAGLIO, SCHRODER, BAKER, HALUSKA, SATHER, HESS, OLASZ,
LEDERER, READSHAW, CORPORA, BOSCOLA, STERN, CASORIO, BARD,
ROONEY, FARGO, SEYFERT, L. I. COHEN, LYNCH, ROEBUCK,
E. Z. TAYLOR, EGOLF, TULLI, KELLER, BENNINGHOFF AND ROSS,
FEBRUARY 4, 1997

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
JANUARY 20, 1998

AN ACT

1 Amending the act of August 26, 1971 (P.L.351, No.91), entitled
2 "An act providing for a State Lottery and administration
3 thereof; authorizing the creation of a State Lottery
4 Commission; prescribing its powers and duties; disposition of
5 funds; violations and penalties therefor; exemption of prizes
6 from State and local taxation and making an appropriation,"
7 FURTHER PROVIDING FOR STATEMENT OF PURPOSE, FOR DEFINITIONS <—
8 AND FOR DISPOSITION OF FUNDS; providing for a lottery
9 winnings intercept in relation to defaulted student loans
10 obtained originally through the Pennsylvania Higher Education
11 Assistance Agency; FURTHER PROVIDING FOR PRESCRIPTION DRUG <—
12 EDUCATION PROGRAM; AMENDING CERTAIN DEFINITIONS AND DELETING
13 PROVISIONS RELATING TO PACENET AND CERTAIN DEDUCTIBLES; AND
14 FURTHER PROVIDING FOR SHARED-RIDE TRANSPORTATION.

15 The General Assembly of the Commonwealth of Pennsylvania
16 hereby enacts as follows:

17 ~~Section 1. Section 302 of the act of August 26, 1971~~ <—
18 ~~(P.L.351, No.91), known as the State Lottery Law, is amended by~~

1 ~~adding definitions to read:~~

2 SECTION 1. SECTION 301 OF THE ACT OF AUGUST 26, 1971 <—
3 (P.L.351, NO.91), KNOWN AS THE STATE LOTTERY LAW, RENUMBERED AND
4 AMENDED NOVEMBER 21, 1996 (P.L.741, NO.134), IS AMENDED TO READ:
5 SECTION 301. STATEMENT OF PURPOSE.

6 THIS CHAPTER IS ENACTED TO ESTABLISH A LOTTERY TO BE OPERATED
7 BY THE STATE, THE NET PROCEEDS OF WHICH ARE TO BE USED AFTER
8 JUNE 30, 1972, FOR THE PURPOSES OF PROVIDING [PROPERTY]:

9 (1) PROPERTY TAX RELIEF FOR THE ELDERLY FOR TAXES PAID
10 IN 1971 AND THEREAFTER TO PERSONS 65 YEARS OF AGE OR OLDER
11 [AND FOR PROVIDING CERTAIN].

12 (2) CERTAIN FREE FIXED ROUTE LOCAL TRANSIT SERVICES TO
13 PERSONS 65 YEARS OF AGE OR OLDER AND REDUCED FARE ON GROUP
14 RIDE TRANSIT SERVICE TO PERSONS 65 YEARS OF AGE OR OLDER. [IT
15 IS FURTHER INTENDED TO PROVIDE A]

16 (3) FUNDING FOR ALZHEIMER'S DISEASE CAREGIVING.

17 (4) A MEANS THROUGH WHICH TO CURB ILLEGAL GAMBLING
18 OPERATIONS IN PENNSYLVANIA.

19 SECTION 2. SECTION 302 OF THE ACT IS AMENDED BY ADDING
20 DEFINITIONS TO READ:

21 Section 302. Definitions.

22 The following words and phrases when used in this chapter
23 shall have the meanings given to them in this section unless the
24 context clearly indicates otherwise:

25 "Delinquent student loan." An amount owed by a person which
26 may include interest, penalties, charges, costs, fees or any
27 other amount for which the Pennsylvania Higher Education
28 Assistance Agency has paid a default claim as a result of a
29 guaranty agreement or a non-guaranteed PHEAA-held loan for which
30 a payment has not been remitted for at least ninety days, or

1 both.

2 * * *

3 "PHEAA." The Pennsylvania Higher Education Assistance
4 Agency.

5 * * *

6 SECTION 3. SECTION 311 OF THE ACT, RENUMBERED AND AMENDED
7 NOVEMBER 21, 1996 (P.L.741, NO.134), IS AMENDED TO READ:
8 SECTION 311. DISPOSITION OF FUNDS.

<—

9 (A) STATE LOTTERY FUND.--ALL MONEYS RECEIVED FROM THE
10 OPERATION OF THE STATE LOTTERY SHALL BE DEPOSITED IN A STATE
11 LOTTERY FUND WHICH IS HEREBY CREATED. SUCH MONEYS SHALL BE USED
12 TO THE EXTENT NECESSARY FOR THE PAYMENT OF LOTTERY PRIZES BUT
13 THE AMOUNT SO USED SHALL NOT BE LESS THAN 40% OF THE AMOUNT OF
14 WHICH TICKETS OR SHARES HAVE BEEN SOLD. ALL PAYMENTS OF LOTTERY
15 PRIZES AND FOR EXPENSES OF OPERATION OF THE LOTTERY SHALL BE
16 MADE AS PROVIDED BY LAW. ALL MONEYS REMAINING AFTER PAYMENT OF
17 PRIZES AND OPERATING EXPENSES SHALL REMAIN IN THE STATE LOTTERY
18 FUND AND SHALL BE ALLOCATED FOR THE [PURPOSE OF] FOLLOWING
19 PURPOSES:

20 (1) SIX AND ONE-HALF PERCENT OF ONE PERCENT OF THE MONEY
21 IN THE STATE LOTTERY FUND SHALL BE ALLOCATED TO THE FAMILY
22 CARE SUPPORT PROGRAMS OF THE DEPARTMENT OF AGING FOR
23 EDUCATION AND TRAINING FOR CAREGIVERS OF PERSONS WITH
24 ALZHEIMER'S DISEASE OR RELATED DISORDERS. THE FOUR-PART
25 EDUCATION AND TRAINING SESSIONS SHALL INCLUDE A MEDICAL
26 OVERVIEW, COMMUNICATION AND BEHAVIOR MANAGEMENT, LEGAL AND
27 FINANCIAL PLANNING, MEETING DAILY CHALLENGES AND SAFETY.
28 FUNDING INCLUDES COSTS FOR PRESENTERS, TRAVEL, MATERIALS AND
29 ADMINISTRATION. ADMINISTRATION IS LIMITED TO TWENTY-FIVE
30 PERCENT OF COSTS. IN ADDITION, FUNDING WILL BE USED TO

1 PROVIDE RESPITE FOR PERSONS WITH DEMENTIA SO THAT CAREGIVERS
2 MAY ATTEND THE TRAINING SESSIONS.

3 (2) THE REMAINDER OF THE MONEY SHALL BE ALLOCATED FOR
4 PROVIDING PROPERTY TAX RELIEF FOR THE ELDERLY FOR TAXES PAID
5 IN 1971 AND THEREAFTER PURSUANT TO THE PROVISIONS OF THE ACT
6 OF MARCH 11, 1971 (P.L.104, NO.3), KNOWN AS THE SENIOR
7 CITIZENS REBATE AND ASSISTANCE ACT, AND FOR [THE PURPOSE OF]
8 PROVIDING FREE OR REDUCED FARE TRANSIT SERVICE FOR THE
9 ELDERLY PURSUANT TO CHAPTER 9 AND THE ACT OF FEBRUARY 11,
10 1976 (P.L.14, NO.10), KNOWN AS THE PENNSYLVANIA RURAL AND
11 INTERCITY COMMON CARRIER SURFACE TRANSPORTATION ASSISTANCE
12 ACT. IN THE EVENT SUFFICIENT FUNDS ARE NOT AVAILABLE FROM THE
13 LOTTERY RECEIPTS TO MEET THE REQUIREMENTS OF THE SENIOR
14 CITIZENS REBATE AND ASSISTANCE ACT OR FOR PROVIDING FREE OR
15 REDUCED FARE TRANSIT SERVICE FOR THE ELDERLY UNDER CHAPTER 9
16 AND THE PENNSYLVANIA RURAL AND INTERCITY COMMON CARRIER
17 SURFACE TRANSPORTATION ASSISTANCE ACT, ADDITIONAL FUNDS TO
18 FULFILL THESE OBLIGATIONS SHALL BE APPROPRIATED FROM THE
19 GENERAL FUND FOR THIS PURPOSE.

20 (B) APPROPRIATIONS.--THE MONEYS IN SAID STATE LOTTERY FUND
21 SHALL BE APPROPRIATED ONLY:

22 (1) FOR THE PAYMENT OF PRIZES TO THE HOLDERS OF WINNING
23 LOTTERY TICKETS OR SHARES.

24 (2) FOR THE EXPENSES OF THE DIVISION IN ITS OPERATION OF
25 THE LOTTERY.

26 (3) FOR [PROPERTY TAX RELIEF AND FREE OR REDUCED FARE
27 TRANSIT SERVICE FOR THE ELDERLY AS PROVIDED UNDER] THE
28 PURPOSES SET FORTH IN SUBSECTION (A).

29 Section ~~2~~ 4. The act is amended by adding a section to read: <—
30 Section 315. Lottery Winnings Intercept.

1 (a) Offset required.--Notwithstanding section 306, payments
2 of more than two thousand five hundred dollars (\$2,500) from the
3 State Lottery Fund shall be subject to offset to satisfy debts
4 for delinquent student loans which the winner owes to PHEAA
5 after any outstanding obligations to pay court-ordered child
6 support have been offset in accordance with 23 Pa.C.S. § 4308
7 (relating to lottery winnings intercept).

8 (b) Check for certain outstanding obligations.--Prior to
9 releasing a prize exceeding two thousand five hundred dollars
10 (\$2,500) from the State Lottery Fund, the Secretary of Revenue
11 shall ascertain that the prize winner does not have obligations
12 to pay court-ordered child support, in accordance with 23
13 Pa.C.S. § 4308 or to repay delinquent student loans, in
14 accordance with this section.

15 (c) Information to PHEAA.--The Department of Revenue shall
16 provide PHEAA with the full name and Social Security number of
17 prize winners in excess of two thousand five hundred dollars
18 (\$2,500) upon receipt of prize claims.

19 (d) Duty of PHEAA.--PHEAA shall cause a search of its
20 records to determine if the prize winner is delinquent on a
21 student loan. PHEAA shall notify the Department of Revenue
22 within five working days of receipt of the information from the
23 Department of Revenue if the winner is delinquent on a student
24 loan.

25 (e) Delinquent student loan collection procedures.--If it is
26 determined by PHEAA that a prize winner is delinquent on a
27 student loan, PHEAA shall request the Department of Revenue to
28 withhold the amount of any arrearage discovered by PHEAA and to
29 pay, within thirty days of notification by PHEAA, whether in
30 lump sum or by installment, to PHEAA that part of the prize

1 which satisfies this arrearage.

2 (f) Insufficient prize.--If prize winnings are insufficient
3 to satisfy the arrearages owed, PHEAA shall proceed as follows:

4 (1) PHEAA may collect as provided by law.

5 (2) PHEAA may reinstitute the procedures set forth in this
6 section if the obligor wins a subsequent lottery prize.

7 (g) Fees.--PHEAA and the Department of Revenue shall
8 determine and set a fee which reflects the actual costs incurred
9 to administer this section. The Department of Revenue shall
10 deduct the calculated amount from the amount to be paid to the
11 prize winner after any obligation to pay child support under 23
12 Pa.C.S. § 4308 has been fully satisfied and then after
13 delinquent student loans have been fully satisfied under this
14 section, and request that the deducted amount be divided between
15 both departments based on the administrative expenses incurred
16 by each.

17 (h) Duty of Department of Revenue.--PHEAA shall request the
18 Department of Revenue to do the following within thirty days of
19 the date the prize was won:

20 (1) Award the prize winner the lottery prize winnings in
21 whole or in part.

22 (2) If applicable, PHEAA shall provide to the Department of
23 Revenue notification and the Department of Revenue shall provide
24 such notification to the prize winner that the prize, or a
25 portion thereof, was used to satisfy arrearages owed for
26 delinquent student loans.

27 (i) PHEAA notice to obligors.--PHEAA shall send a one-time
28 notice to all delinquent student loan obligors informing them
29 that the lottery prize winnings may be intercepted as provided
30 by this section.

1 (j) Appeals.--A lottery prize winner whose prize is used to
2 satisfy an obligation under this section may appeal to PHEAA in
3 accordance with PHEAA procedures. The appeal shall be filed
4 within thirty days after the prize winner is notified by the
5 Department of Revenue that the prize has been reduced or totally
6 withheld to satisfy the prize winner's outstanding arrearages
7 for delinquent student loan amounts and other related
8 obligations.

9 (k) Regulations.--PHEAA and the Department of Revenue shall
10 promulgate any regulations which may be necessary to carry out
11 the provisions of this act.

12 SECTION 5. THE DEFINITIONS OF "MAXIMUM ANNUAL INCOME," <—
13 "PACENET" AND "PROGRAM" IN SECTION 502 OF THE ACT, ADDED
14 NOVEMBER 21, 1996 (P.L.741, NO.134), ARE AMENDED TO READ:
15 SECTION 502. DEFINITIONS.

16 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
17 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
18 CONTEXT CLEARLY INDICATES OTHERWISE:

19 * * *

20 "MAXIMUM ANNUAL INCOME." FOR PACE ELIGIBILITY, THE TERM
21 SHALL MEAN ANNUAL INCOME WHICH SHALL NOT EXCEED [\$14,000]
22 \$16,000 IN THE CASE OF SINGLE PERSONS NOR [\$17,200] \$19,200 IN
23 THE CASE OF THE COMBINED ANNUAL INCOME OF PERSONS MARRIED TO
24 EACH OTHER. PERSONS MAY, IN REPORTING INCOME TO THE DEPARTMENT
25 OF AGING, ROUND THE AMOUNT OF EACH SOURCE OF INCOME AND THE
26 INCOME TOTAL TO THE NEAREST WHOLE DOLLAR, WHEREBY ANY AMOUNT
27 WHICH IS LESS THAN 50¢ IS ELIMINATED.

28 * * *

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

1 * * *

2 "PROGRAM." THE PHARMACEUTICAL ASSISTANCE CONTRACT FOR THE
3 ELDERLY (PACE) [AND THE PHARMACEUTICAL ASSISTANCE CONTRACT FOR
4 THE ELDERLY NEEDS ENHANCEMENT TIER (PACENET)] AS ESTABLISHED BY
5 THIS CHAPTER, UNLESS OTHERWISE SPECIFIED.

6 * * *

7 SECTION 6. SECTIONS 519, 520(C), 521(B) AND (D) AND 522 OF
8 THE ACT, ADDED NOVEMBER 21, 1996 (P.L.741, NO.134), ARE AMENDED
9 TO READ:

10 [SECTION 519. THE PHARMACEUTICAL ASSISTANCE CONTRACT FOR THE
11 ELDERLY NEEDS ENHANCEMENT TIER.

12 (A) ESTABLISHMENT.--THERE IS HEREBY ESTABLISHED WITHIN THE
13 DEPARTMENT A PROGRAM TO BE KNOWN AS THE PHARMACEUTICAL
14 ASSISTANCE CONTRACT FOR THE ELDERLY NEEDS ENHANCEMENT TIER
15 (PACENET).

16 (B) PACENET ELIGIBILITY.--A CLAIMANT WITH AN ANNUAL INCOME
17 OF NOT LESS THAN \$14,000 AND NOT MORE THAN \$16,000 IN THE CASE
18 OF A SINGLE PERSON AND OF NOT LESS THAN \$17,200 AND NOT MORE
19 THAN \$19,200 IN THE CASE OF THE COMBINED INCOME OF PERSONS
20 MARRIED TO EACH OTHER SHALL BE ELIGIBLE FOR ENHANCED
21 PHARMACEUTICAL ASSISTANCE UNDER THIS SECTION. A PERSON MAY, IN
22 REPORTING INCOME TO THE DEPARTMENT, ROUND THE AMOUNT OF EACH
23 SOURCE OF INCOME AND THE INCOME TOTAL TO THE NEAREST WHOLE
24 DOLLAR, WHEREBY ANY AMOUNT WHICH IS LESS THAN 50¢ IS ELIMINATED.

25 (C) DEDUCTIBLE.--UPON ENROLLMENT IN PACENET, ELIGIBLE
26 CLAIMANTS IN THE INCOME RANGES SET FORTH IN SUBSECTION (B) SHALL
27 BE REQUIRED TO MEET AN ANNUAL DEDUCTIBLE IN UNREIMBURSED
28 PRESCRIPTION DRUG EXPENSES OF \$500 PER PERSON. TO QUALIFY FOR
29 THE DEDUCTIBLE SET FORTH IN THIS SUBSECTION THE PRESCRIPTION
30 DRUG MUST BE PURCHASED FOR THE USE OF THE ELIGIBLE CLAIMANT FROM

1 A PROVIDER AS DEFINED IN THIS CHAPTER. THE DEPARTMENT, AFTER
2 CONSULTATION WITH THE BOARD, MAY APPROVE AN ADJUSTMENT IN THE
3 DEDUCTIBLE ON AN ANNUAL BASIS.

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

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

9 (II) FIFTEEN DOLLARS FOR SINGLE-SOURCE DRUGS AND
10 INNOVATOR MULTIPLE-SOURCE DRUGS AS DEFINED IN SECTION
11 702.]

12 SECTION 520. BOARD.

13 * * *

14 (C) REVIEW.--USING THE ANNUAL REPORT SUBMITTED BY THE
15 DEPARTMENT PURSUANT TO SECTION 2102 AND OTHER APPROPRIATE DATA
16 SOURCES, THE BOARD SHALL CONDUCT AN ANNUAL REVIEW. THE BOARD
17 SHALL DEVELOP RECOMMENDATIONS CONCERNING ANY CHANGES IN THE
18 LEVEL OF COPAYMENT[, DEDUCTIBLE] OR IN THE LEVEL OF FEES PAID TO
19 PARTICIPATING PHARMACISTS. THE BOARD SHALL REVIEW THE
20 DEPARTMENT'S THERAPEUTIC DRUG UTILIZATION REVIEW PROGRAM ON AN
21 ONGOING BASIS. THE BOARD MAY ALSO RECOMMEND OTHER CHANGES IN THE
22 STRUCTURE OF THE PROGRAM AND DIRECT THE DEPARTMENT TO ENTER INTO
23 DISCUSSIONS WITH THE PRIVATE CONTRACTOR CONCERNING AMENDMENTS TO
24 THE CONTRACT, OR THE DEPARTMENT MAY ENTER INTO SUCH DISCUSSION
25 IF IT DEEMS NECESSARY. THE COPAYMENT [OR DEDUCTIBLE SCHEDULE]
26 SHALL ONLY BE ADJUSTED ON AN ANNUAL BASIS.

27 * * *

28 SECTION 521. PENALTIES.

29 * * *

30 (B) CIVIL PENALTY.--IN ADDITION TO ANY APPROPRIATE CRIMINAL

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

14 * * *

15 (D) REPAYMENT OF GAIN.--ANY PROVIDER, RECIPIENT OR OTHER
16 PERSON WHO IS FOUND GUILTY OF A CRIME FOR VIOLATING THIS CHAPTER
17 SHALL REPAY THREE TIMES THE VALUE OF THE MATERIAL GAIN RECEIVED.
18 IN ADDITION TO THE CIVIL PENALTY AUTHORIZED PURSUANT TO
19 SUBSECTION (B), THE DEPARTMENT MAY REQUIRE THE PROVIDER,
20 RECIPIENT OR OTHER PERSON TO REPAY UP TO THREE TIMES THE VALUE
21 OF ANY MATERIAL GAIN TO PACE [OR PACENET].

22 SECTION 522. PRESCRIPTION DRUG EDUCATION PROGRAM.

23 (A) GENERAL RULE.--THE DEPARTMENT, IN COOPERATION WITH THE
24 DEPARTMENT OF HEALTH, SHALL DEVELOP AND IMPLEMENT A STATEWIDE
25 PRESCRIPTION DRUG EDUCATION PROGRAM DESIGNED TO INFORM OLDER
26 ADULTS OF THE DANGERS OF PRESCRIPTION DRUG ABUSE AND MISUSE. THE
27 PRESCRIPTION DRUG EDUCATION PROGRAM SHALL INCLUDE, BUT NOT BE
28 LIMITED TO, INFORMATION CONCERNING THE FOLLOWING:

29 (1) THE HAZARDS OF PRESCRIPTION DRUG OVERDOSE.

30 (2) THE POTENTIAL DANGERS OF MIXING PRESCRIPTION DRUGS.

1 (3) THE DANGER OF RETAINING UNUSED PRESCRIPTION DRUGS
2 AFTER THE NEED TO TAKE THEM NO LONGER EXISTS.

3 (4) THE NECESSITY TO CAREFULLY QUESTION PHYSICIANS AND
4 PHARMACISTS CONCERNING THE EFFECTS OF TAKING PRESCRIPTION
5 DRUGS, INCLUDING THE DIFFERENCES BETWEEN BRAND-NAME DRUGS AND
6 GENERICALLY EQUIVALENT DRUGS.

7 (5) THE ADVISABILITY OF MAINTAINING A PRESCRIPTION DRUG
8 PROFILE OR OTHER RECORD OF PRESCRIPTION DRUG DOSAGE AND
9 FREQUENCY OF DOSAGE.

10 (6) THE DESIRABILITY OF ADVISING FAMILY MEMBERS OF THE
11 TYPES AND PROPER DOSAGE OF PRESCRIPTION DRUGS WHICH ARE BEING
12 TAKEN.

13 (7) THE DANGERS OF TAKING PRESCRIPTION DRUGS IN EXCESS
14 OF PRESCRIBED DOSAGES.

15 (8) THE NEED TO OBTAIN COMPLETE, DETAILED DIRECTIONS
16 FROM THE PHYSICIAN OR PHARMACIST CONCERNING THE TIME PERIOD A
17 PRESCRIPTION DRUG SHOULD BE TAKEN.

18 (B) GRANT PROGRAM.--IN ORDER TO FURTHER THE EDUCATION
19 EFFORTS SPECIFIED IN SUBSECTION (A), THE DEPARTMENT SHALL
20 ADMINISTER A GRANT PROGRAM FOR THE DEVELOPMENT AND
21 IMPLEMENTATION OF PRESCRIPTION EVALUATION PROGRAMS TO BE
22 OPERATED IN COOPERATION WITH PACE PHARMACISTS. UPON THE REQUEST
23 OF AN AREA AGENCY ON AGING, PACE PHARMACISTS SHALL PARTICIPATE
24 IN PROGRAMS TO COUNSEL SENIORS ABOUT THE PRESCRIPTION DRUGS THEY
25 ARE CURRENTLY TAKING. THE EVALUATIONS MADE AT PRESCRIPTION
26 EVALUATION PROGRAM EVENTS SHALL INCLUDE A REVIEW OF THE
27 PATIENT'S DRUG REGIMEN IN AN ATTEMPT TO IDENTIFY POTENTIAL DRUG
28 THERAPY PROBLEMS DUE TO THERAPEUTIC DUPLICATION, DRUG
29 INTERACTIONS, INCORRECT DRUG DOSAGE OR DURATION OF DRUG
30 TREATMENT, DRUG-ALLERGY INTERACTIONS, INCORRECT DRUG DOSAGE AND

1 CLINICAL ABUSE OR MISUSE. PACE PHARMACISTS SHALL MAINTAIN
2 PATIENT PROFILES, ELECTRONICALLY OR MANUALLY, AS RECORDS OF
3 THEIR PARTICIPATION IN ANY EVALUATION PROGRAM. UNDER A
4 PRESCRIPTION EVALUATION PROGRAM, EACH SENIOR CITIZEN SHALL BE
5 GUARANTEED AT LEAST ONE REVIEW OF PRESCRIPTIONS PER YEAR. GRANT
6 FUNDS SHALL BE MANAGED AND ADMINISTERED IN ACCORDANCE WITH
7 SUBSECTION (C).

8 (C) APPLICATIONS AND AWARDS.--

9 (1) GRANT APPLICATION FORMS SHALL BE DEVELOPED BY THE
10 DEPARTMENT AND DISTRIBUTED TO ALL AREA AGENCIES ON AGING.
11 APPLICATIONS SHALL INCLUDE INFORMATION ON PROPOSED
12 PRESCRIPTION EVALUATION PROGRAM EVENTS, EVENT LOCATIONS AND
13 COST ESTIMATES.

14 (2) GRANTS SHALL BE MADE TO ANY AREA AGENCY ON AGING AND
15 SHALL NOT EXCEED \$10,000 PER AGENCY. ANY AREA AGENCY ON AGING
16 SHALL, AT LEAST QUARTERLY, HOLD PRESCRIPTION EVALUATION
17 PROGRAMS ACROSS THE SERVICE AREA. FUNDS ARE TO BE USED FOR
18 COSTS INCURRED IN DEVELOPMENT AND IMPLEMENTATION OF
19 PRESCRIPTION EVALUATION PROGRAMS WHICH MAY INCLUDE, BUT ARE
20 NOT LIMITED TO, THE PURCHASING OF NECESSARY MATERIALS,
21 OUTREACH AND ADVERTISING OF THE PROGRAMS.

22 (3) PRESCRIPTION EVALUATION PROGRAM GRANTS SHALL BE
23 FUNDED THROUGH AN ANNUAL APPROPRIATION OF \$1,000,000 FROM THE
24 FUND. UNALLOCATED FUNDS SHALL BE RETURNED TO THE FUND AT THE
25 END OF EACH FISCAL YEAR.

26 SECTION 7. THE DEFINITIONS OF "COVERED PRESCRIPTION DRUG,"
27 "PACENET" AND "PROVIDER" IN SECTION 702 OF THE ACT, ADDED
28 NOVEMBER 21, 1996 (P.L.741, NO.134), ARE AMENDED TO READ:
29 SECTION 702. DEFINITIONS.

30 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER

1 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
2 CONTEXT CLEARLY INDICATES OTHERWISE:

3 * * *

4 "COVERED PRESCRIPTION DRUG." A LEGEND DRUG, INSULIN, AN
5 INSULIN SYRINGE OR AN INSULIN NEEDLE ELIGIBLE FOR PAYMENT BY THE
6 COMMONWEALTH UNDER PACE[, PACENET] OR DESIGNATED PHARMACEUTICAL
7 PROGRAMS.

8 * * *

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

10 "PROVIDER." A LICENSED PHARMACY OR DISPENSING PHYSICIAN
11 ENROLLED AS A PROVIDER IN PACE[, PACENET] OR DESIGNATED
12 PHARMACEUTICAL PROGRAMS.

13 * * *

14 SECTION 8. SECTIONS 703, 704(B)(1), 705, 706(B), 709, 904(A)
15 AND 2102 OF THE ACT, ADDED NOVEMBER 21, 1996 (P.L.741, NO.134),
16 ARE AMENDED TO READ:

17 SECTION 703. REBATE AGREEMENT.

18 (A) REQUIREMENT.--PACE[, PACENET] AND DESIGNATED
19 PHARMACEUTICAL PROGRAMS SHALL NOT REIMBURSE FOR ANY COVERED
20 PRESCRIPTION DRUG WITHOUT A REBATE AGREEMENT BETWEEN THE
21 DEPARTMENT AND THE MANUFACTURER OF THE COVERED PRESCRIPTION
22 DRUG.

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

26 (C) AGREEMENTS.--MANUFACTURERS OF PRESCRIPTION DRUGS
27 REIMBURSED UNDER PACE[, PACENET] AND DESIGNATED PHARMACEUTICAL
28 PROGRAMS MUST ENTER INTO A REBATE AGREEMENT WITH THE DEPARTMENT
29 UNDER THIS CHAPTER TO OBTAIN SUCH REIMBURSEMENT. NOTHING IN THIS
30 CHAPTER SHALL BE DEEMED TO AFFECT OR IMPAIR ANY AGREEMENT MADE

1 UNDER THE FORMER PROVISIONS OF CHAPTER 6 OF THE ACT OF AUGUST
2 14, 1991 (P.L.342, NO.36), KNOWN AS THE LOTTERY FUND
3 PRESERVATION ACT.

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

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

18 SECTION 704. TERMS OF REBATE AGREEMENT.

19 * * *

20 (B) INFORMATION.--

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

27 * * *

28 SECTION 705. AMOUNT OF REBATE.

29 (A) SINGLE-SOURCE DRUGS AND INNOVATOR MULTIPLE-SOURCE
30 DRUGS.--WITH RESPECT TO SINGLE-SOURCE DRUGS AND INNOVATOR

MULTIPLE-SOURCE DRUGS, EACH MANUFACTURER SHALL REMIT A REBATE TO THE COMMONWEALTH. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE AMOUNT OF THE REBATE TO THE COMMONWEALTH PER CALENDAR QUARTER WITH RESPECT TO EACH DOSAGE FORM AND STRENGTH OF SINGLE-SOURCE DRUGS AND INNOVATOR MULTIPLE-SOURCE DRUGS SHALL BE AS FOLLOWS:

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

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

(B) REBATE FOR OTHER DRUGS.--

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

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

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

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

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

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

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

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

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

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

SECTION 706. EXCESSIVE PHARMACEUTICAL PRICE INFLATION DISCOUNT.

* * *

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

(1) FOR EACH QUARTER FOR WHICH A REBATE UNDER SECTION

705(A) AND (C) IS TO BE PAID AFTER DECEMBER 31, 1996, THE
AVERAGE MANUFACTURER PRICE FOR EACH DOSAGE FORM AND STRENGTH
OF A COVERED PRESCRIPTION DRUG SHALL BE COMPARED TO THE
AVERAGE MANUFACTURER PRICE FOR THE SAME FORM AND STRENGTH IN
THE PREVIOUS CALENDAR YEAR AND A PERCENTAGE INCREASE SHALL BE
CALCULATED.

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

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

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

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

* * *

SECTION 709. DISPOSITION OF FUNDS.

(A) PACE [AND PACENET].--MONEY RECEIVED UNDER THIS CHAPTER
IN CONNECTION WITH PACE [AND PACENET] SHALL BE DEPOSITED IN THE
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.

1 SECTION 904. SHARED-RIDE TRANSPORTATION.

2 (A) PROGRAM GRANTS.--(1) THE DEPARTMENT OF TRANSPORTATION
3 HAS THE POWER AND DUTY TO ADMINISTER, UTILIZING A FIXED
4 AMOUNT OF MONEY FROM THE FUND AS PROVIDED THROUGH EXECUTIVE
5 AUTHORIZATIONS BY THE GOVERNOR, A PROGRAM PROVIDING SHARED-
6 RIDE PUBLIC TRANSPORTATION SERVICES FOR ADULTS 65 YEARS OF
7 AGE OR OLDER. INDIVIDUALS UTILIZING SHARED-RIDE PUBLIC
8 TRANSPORTATION SERVICES FOR OLDER ADULTS SHALL CONTRIBUTE 15%
9 OF THE INDIVIDUAL FARE AND 85% OF THE INDIVIDUAL FARE SHALL
10 BE REIMBURSED BY THE FUND.

11 (2) A CONTRACTOR OF SHARED-RIDE SERVICES SHALL PROVIDE
12 TRANSPORTATION SERVICES TO ADULTS 65 YEARS OF AGE OR OLDER
13 OUTSIDE OF THE CONTRACTOR'S SERVICE AREA IF THE TRIP MUST BE
14 TAKEN FOR MEDICAL PURPOSES, AND THE CONTRACTOR SHALL RECEIVE
15 PROGRAM REIMBURSEMENT FOR PROVISION OF SERVICES UNDER THIS
16 PARAGRAPH. THE DESTINATION OF THE TRIP SHALL BE LOCATED NO
17 MORE THAN 50 MILES BEYOND THE SERVICE AREA BORDER.

18 * * *

19 SECTION 2102. ANNUAL REPORT TO GENERAL ASSEMBLY.

20 (A) SUBMISSION OF REPORT.--THE DEPARTMENT SHALL SUBMIT A
21 REPORT NO LATER THAN APRIL 1 OF EACH YEAR TO THE CHAIRMAN AND
22 MINORITY CHAIRMAN OF THE AGING AND YOUTH COMMITTEE OF THE
23 SENATE, THE CHAIRMAN AND MINORITY CHAIRMAN OF THE AGING AND
24 YOUTH COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND THE
25 PHARMACEUTICAL ASSISTANCE REVIEW BOARD.

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

30 (C) INFORMATION FOR INCLUSION IN ANNUAL REPORT.--THE ANNUAL

REPORT SHALL CONTAIN, BUT NOT BE LIMITED TO, ALL INFORMATION
RELATING TO:

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

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

(3) THE COST OF PRESCRIPTIONS.

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

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

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

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

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

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

(7) INFORMATION ON THE EXISTENCE AND SCOPE OF FRAUDULENT
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

1 PACENET].

2 SECTION 9. ALL REGULATIONS OR PARTS OF REGULATIONS ARE
3 ABROGATED TO THE EXTENT THEY ARE INCONSISTENT WITH THIS ACT.

4 Section ~~3~~ 10. This act shall take effect in 60 days.

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