THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 332   Session of 1985

AN ACT

1 Amending the act of November 4, 1983 (P.L.217, No.63), entitled
2   "An act establishing a program of limited pharmaceutical
3   assistance for the elderly; granting powers to and imposing
4   duties on the Department of Aging; establishing a payment
5   system; making provisions for funding; providing for reports;
6   and fixing penalties for violations of the pharmaceutical
7   assistance program," providing for mail order delivery from
8   certain pharmacies.

9   The General Assembly of the Commonwealth of Pennsylvania

10 hereby enacts as follows:

11   Section 1. Section 4(e) of the act of November 4, 1983

12 (P.L.217, No.63), known as the Pharmaceutical Assistance

13 Contract for the Elderly Act, is amended to read:

14 Section 4. Responsibilities of Department of Aging. * * *

15   (e) Program criteria.--The program shall include the

16 following criteria:

17   (1) Participating pharmacies are to be paid within 21

18   days of the contracting firm receiving the appropriate

19   substantiation of the transaction. Pharmacies shall be

1   entitled to interest for payment not made within the 21-day

2   period at a rate approved by the Pharmaceutical Assistance

3   Review Board.

4   (2) Collection of the copayment by pharmacies shall be

5   mandatory.

6   (3) Senior citizens participating in the program are not

7   required to maintain records of each transaction.

8   (4) A system of rebates or reimbursements to the

9   participant for pharmaceutical expenses shall be prohibited.

10   (5) The system established shall include a participant

11   copayment schedule of $4 for each prescription for the first

12   year of the contract. The copayment shall increase or

13   decrease on the annual basis by the average percent change of

14   ingredient costs for all prescription drugs plus a

15   differential to raise the copayment to the next highest 25ç

16   increment. In addition, the department may approve a request

17   for increase or decrease in the level of copayment based upon

18   the financial experience and projections of the program and

19   after consultation with the Pharmaceutical Assistance Review

20   Board. The department is prohibited from approving

21   adjustments to the copayment on more than a semiannual basis.

22   (6) The program shall consist of payments to pharmacies

23   on behalf of eligible claimants for the average wholesale

24   cost of legend drugs, insulin, insulin syringes and insulin

25   needles which exceed the copayment and a dispensing fee of at

26   least $2.50. In no case shall the Commonwealth be charged

27   more than the price of the drug at the particular pharmacy on

28   the date of the sale. For the purpose of this act, the

29   eligible claimant shall be liable to pay the difference

30   between the brand name drug and the generically equivalent

1   drug as approved under the provisions of the act of November

2   24, 1976 (P.L.1163, No.259), referred to as the Generic

3   Equivalent Drug Law. Only the physician may prescribe a

4   nongeneric medication.

5   (7) Prescription benefits for any single prescription

6   shall be limited to a 30-day supply of the prescription drug

7   or 100 doses, whichever is less, except that in the case of

8   acute drugs the limitation shall be a 15-day supply.

9   (8) Experimental drugs are to be excluded from the

10   program.

11   (9) A system of mail order delivery for prescriptions

12   [shall be prohibited under this program] from pharmacies

13   licensed by the Commonwealth shall be provided for as a part

14   of this program.

15   (10) The program must be in place and operational within

16   90 days of the effective date of the contract.

17   * * *

18   Section 2. This act shall take effect in 60 days.