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THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1239 Session of 1991

INTRODUCED BY ITKIN, J. TAYLOR, DeLUCA, KUKOVICH, STUBAN, DALEY, STETLER, TIGUE, BISHOP, COHEN, STISH, BUSH, GEIST, COLAIZZO, BATTISTO, KOSINSKI, PETRARCA, CAPPABIANCA, GERLACH, CORRIGAN, STURLA, MIHALICH, JOSEPHS, GAMBLE, LAUGHLIN, HARPER, LINTON, PISTELLA, MAIALE, McNALLY, CLARK, MELIO, GIGLIOTTI, OLASZ, TANGRETTI, STEELMAN, E. Z. TAYLOR, KRUSZEWSKI, BUTKOVITZ, TRICH AND TRELLO, APRIL 22, 1991

REFERRED TO COMMITTEE ON AGING AND YOUTH, APRIL 22, 1991

AN ACT

Amending the act of November 4, 1983 (P.L.217, No.63), entitled "An act establishing a program of limited pharmaceutical assistance for the elderly; granting powers to and imposing duties on the Department of Aging; establishing a payment system; making provisions for funding; providing for reports; and fixing penalties for violations of the pharmaceutical assistance program," adding definitions; and further providing for the powers and duties of the Department of Aging.

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

Section 1. Section 3 of the act of November 4, 1983 (P.L.217, No.63), known as the Pharmaceutical Assistance Contract for the Elderly Act, is amended by adding definitions to read:

Section 3. Definitions.

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

* * *

"Innovator multiple-source drug." A multiple-source drug that was originally marketed under a new drug application approved by the Food and Drug Administration of the Department of Health and Human Services.

* * *

"Non-innovator multiple-source drug." A drug that has been approved for substitution under the act of November 24, 1976 (P.L.1163, No.259), referred to as the Generic Equivalent Drug Law.

* * *

"Single-source drug." A legend drug product for which the Food and Drug Administration of the Department of Health and Human Services has not approved an amended new drug application (ANDA).

Section 2. Section 4(e)(5) of the act is amended to read:

Section 4. Responsibilities of Department of Aging.

* * *

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

* * *

(5) The system established shall include a participant copayment schedule of $4 for each prescription for the first year of the contract. Beginning on the effective date of this act the copayment schedule shall be as follows: $4 for each prescription for a non-innovator multiple-source drug and $6 for each prescription for a single-source or innovator multiple-source drug. The [copayment shall increase or decrease on the] copayments may be increased or decreased on an annual basis by the average percent change of ingredient

costs for all prescription drugs in each copayment category plus a differential to raise [the] each copayment to the next highest 25ç increment. In addition, the department may approve a request for increase or decrease in the level of each copayment based upon the financial experience and projections of the program and after consultation with the Pharmaceutical Assistance Review Board. In no case, however, shall the difference between the two copayments be less than two dollars. The department is prohibited from approving adjustments to the [copayment] copayments on more than a semiannual basis.

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Section 3. This act shall take effect in 60 days.