
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2534 Session of
2002

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WASHINGTON, J. WILLIAMS AND YOUNGBLOOD, APRIL 8, 2002

REFERRED TO COMMITTEE ON PROFESSIONAL LICENSURE, APRIL 8, 2002

AN ACT

1 Providing for pharmaceutical discount card minimum standards.

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

4 Section 1. Short title.

5 This act shall be known and may be cited as the
6 Pharmaceutical Discount Card Minimum Standards Act.

7 Section 2. Definitions.

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

11 "Average wholesale price." The cost of a dispensed drug
12 based upon the price published in a national drug pricing system
13 in current use by the Department of Aging as the average
14 wholesale cost of a prescription drug in the most common package
15 size.

1 "Prescription drug." Any human drug required by Federal law,
2 the act of April 14, 1972 (P.L.233, No.64), known as The
3 Controlled Substance, Drug, Device and Cosmetic Act, or
4 regulations promulgated under either, to be dispensed only by a
5 prescription, including finished dosage forms and active
6 ingredients subject to section 503(b) of the Federal Food, Drug,
7 and Cosmetic Act (52 Stat. 1040, 21 U.S.C. § 503(b)).

8 "Wholesale distributor of prescription drugs." A person who
9 engages in the wholesale distribution of prescription drugs,
10 including, but not limited to, manufacturers, repackers, own-
11 label distributors, private-label distributors or jobbers,
12 warehouses, including manufacturers' and distributors'
13 warehouses, chain drug warehouses and wholesale drug warehouses,
14 independent wholesale drug traders and retail pharmacies that
15 conduct wholesale distributions.

16 Section 3. Discount card minimum standards.

17 Any wholesale distributor of prescription drugs that offers a
18 pharmaceutical discount card program to a resident in this
19 Commonwealth shall be required to meet the following minimum
20 standards:

21 (1) The dispensing fee paid to the pharmacies shall be
22 no less than \$4 for each prescription filled as part of the
23 discount card program.

24 (2) A pharmacy that fills a prescription under a
25 discount card program shall be reimbursed within 30 days
26 after the sale to a customer using the wholesaler's discount
27 card. A wholesaler who fails to reimburse the pharmacies
28 within this 30-day period shall be liable for a civil penalty
29 in the amount of 6% of the reimbursement required to be paid.

30 (3) A wholesaler must provide the same discount price to

1 all consumers enrolled under the discount card program.

2 (4) At a minimum, the wholesaler must offer the
3 prescription drug to the pharmacies at 12% below the average
4 wholesale price.

5 Section 4. Disclosure of information.

6 Each wholesale distributor of prescription drugs that offers
7 a pharmaceutical discount card program shall be required to
8 disclose the following information for each prescription drug
9 covered by the discount card program to the State Board of
10 Pharmacy no later than 30 days after the last day of each
11 quarter:

12 (1) The name and address of the manufacturer or company
13 name that sold each prescription drug to the wholesaler.

14 (2) The average wholesale price of all prescription
15 drugs covered by the wholesaler's discount card.

16 (3) The regular purchase price paid by the wholesaler
17 for each prescription drug.

18 (4) The number of people that participated in the
19 wholesaler's discount card program.

20 Section 5. Annual report.

21 Each wholesale distributor of prescription drugs that offers
22 a pharmaceutical discount card program must submit an annual
23 report to the State Board of Pharmacy, who must in turn submit
24 the report to the General Assembly no later than December 15 of
25 each year, that includes, but is not limited to, the following
26 information:

27 (1) A description of how many consumers participated in
28 the discount card program for the year.

29 (2) The number of prescriptions paid for in part or full
30 in the discount card program.

1 (3) The consumer price paid for each of the prescription
2 drugs covered by the discount card program.

3 (4) The wholesale and market price paid for each of the
4 prescription drugs covered by the discount card program.

5 (5) The average wholesale price paid for each of the
6 prescription drugs covered by the discount card program.

7 (6) Geographic information by county and region
8 regarding utilization of the prescription drugs covered by
9 the discount card program.

10 Section 6. Effective date.

11 This act shall take effect January 1, 2003.