

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1498 Session of
2007

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WANSACZ, WATSON AND YUDICHAK, JUNE 8, 2007

REFERRED TO COMMITTEE ON AGING AND OLDER ADULT SERVICES,
JUNE 8, 2007

AN ACT

1 Establishing One Pennsylvania, a program to consolidate and
2 unify procedures and requirements for the administration of
3 all Commonwealth-funded, Commonwealth-administered and
4 Commonwealth-supported drug programs and for reimbursement
5 for pharmacy services.

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

8 Section 1. Short title.

9 This act shall be known and may be cited as the One
10 Pennsylvania Act.

11 Section 2. Definitions.

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

15 "Adjudication."

16 (1) Except as provided in paragraph (2), an action taken

1 by the Department of Aging, the Secretary of Aging or a
2 prescription drug plan pursuant to this act that constitutes
3 an adjudication as defined by 2 Pa.C.S. § 101 (relating to
4 definitions), including any of the following:

5 (i) A decision to allow a pharmacy to participate in
6 a prescription drug plan or to suspend, restrict or
7 revoke participation by a pharmacy in a prescription drug
8 plan.

9 (ii) A decision by the department to include or
10 exclude a medication from the formulary or preferred drug
11 list.

12 (iii) The establishment of pharmacy reimbursement
13 rates and formulas.

14 (iv) A decision to grant or deny prior authorization
15 for the dispensing of prescription drugs or to approve or
16 disapprove the dispensing of drugs not included on the
17 formulary or preferred drug list.

18 (v) An action taken by the program based upon audits
19 of claims submitted for reimbursement by pharmacies.

20 (2) An action taken by the program with respect to
21 determining recipient eligibility shall not be deemed an
22 adjudication subject to this act.

23 "Alerts." Electronic communications between the Department
24 of Aging or the pharmacy benefits consolidation program and
25 pharmacies providing information pertaining to the
26 implementation of this act, including any of the following:

27 (1) Information regarding formularies.

28 (2) Preferred drug lists.

29 (3) Drug utilization review.

30 (4) Prior authorization.

- 1 (5) Disease management programs.
- 2 (6) Claims submission and adjudication procedures.
- 3 (7) Audits.
- 4 (8) Pharmacy and patient education.

5 "Best price." As defined under section 1927(c) of the Social
6 Security Act (49 Stat. 620, 42 U.S.C. § 1396r-8(c)).

7 "Department." The Department of Aging of the Commonwealth.

8 "Medical assistance program." The program established
9 pursuant to Subarticle (f) of Article IV of the act of June 13,
10 1967 (P.L.31, No.21), known as the Public Welfare Code.

11 "Medicare recipient." An individual residing in this
12 Commonwealth who receives benefits under Part A of Subchapter
13 XVIII of Chapter 7 of the Social Security Act (49 Stat. 620, 42
14 U.S.C. § 301 et seq.) or who is enrolled under Part B, C or D of
15 Subchapter XVIII.

16 "Pharmaceutical manufacturer." A manufacturer as defined by
17 section 1927(k)(5) of the Social Security Act (49 Stat. 620, 42
18 U.S.C. § 1396r-8(k)(5)).

19 "Pharmacy." A pharmacy licensed pursuant to the act of
20 September 27, 1961 (P.L.1700, No.699), known as the Pharmacy
21 Act.

22 "Pharmacy Act." The act of September 27, 1961 (P.L.1700,
23 No.699), known as the Pharmacy Act.

24 "Pharmacy services." The provision of health care services
25 defined as the practice of pharmacy by the act of September 27,
26 1961 (P.L.1700, No.699), known as the Pharmacy Act.

27 "Preferred drug list." A list of prescription medications
28 that may be dispensed by a prescription drug plan without prior
29 authorization or a notation by the prescriber that the
30 medication is medically necessary and cannot be substituted for

1 a listed prescription medication.

2 "Prescription drug." A covered outpatient drug as defined by
3 section 1927(k)(2) of the Social Security Act (49 Stat. 620, 42
4 U.S.C. § 1396r-8(k)(2)).

5 "Prescription drug plan." A program that pays for
6 prescription drugs dispensed to individuals enrolled in the
7 program that is supported directly or indirectly, in whole or in
8 part, by public funds, including all of the following:

9 (1) The medical assistance program, the Special
10 Pharmaceutical Benefit Program in the Department of Public
11 Welfare and the End Stage Renal Program in the Department of
12 Health.

13 (2) The Pharmaceutical Assistance Contract for the
14 Elderly (PACE) and any other pharmacy program administered by
15 the Commonwealth that is recognized by the Centers for
16 Medicare and Medicaid of the United States as a State
17 pharmaceutical assistance program.

18 (3) Programs paying for prescription drugs dispensed to
19 employees, including programs established by the Public
20 School Employees' Retirement System, the State Employees'
21 Retirement System and the State Employees' Benefit Trust
22 Fund.

23 (4) A program that utilizes funds of this Commonwealth,
24 including the State Lottery Fund, to provide assistance in
25 obtaining prescription drugs to Medicare recipients.

26 (5) Programs where the Commonwealth purchases or
27 reimburses affiliates or designees for a pharmacy benefit.
28 The programs shall include the Children's Health Insurance
29 Program, Workers' Compensation Program and any program
30 administered by the Department of Corrections.

1 "Program." The pharmacy benefits consolidation program
2 established pursuant to section 3.

3 "Public School Employees' Retirement System." The retirement
4 system established by 24 Pa.C.S. Part IV (relating to retirement
5 for school employees).

6 "Public Welfare Code." The act of June 13, 1967 (P.L.31,
7 No.21), known as the Public Welfare Code.

8 "Retail pharmacy." A pharmacy licensed to operate pursuant
9 to the act of September 27, 1961 (P.L.1700, No.699), known as
10 the Pharmacy Act, which provides services to the general public,
11 excluding any institutional pharmacy, specialty pharmacy or
12 mail-order pharmacy.

13 "Secretary." The Secretary of Aging of the Commonwealth.

14 "Social Security Act." The Social Security Act (49 Stat.
15 620, 42 U.S.C. § 301 et seq.). A reference to the Social
16 Security Act shall include regulations implementing the Social
17 Security Act adopted by the United States Department of Health
18 and Human Services or the Centers for Medicare and Medicaid
19 Services.

20 "State agency." Any of the following entities that purchases
21 or provides coverage for prescription medications:

22 (1) An agency under the jurisdiction of the Governor.

23 (2) An independent agency.

24 (3) The General Assembly.

25 (4) The unified judicial system.

26 "State Employees' Benefit Trust Fund." The trust fund
27 established to purchase health insurance coverage, including
28 coverage for prescription medications, for State employees.

29 "State Employees' Retirement System." The retirement system
30 established under 71 Pa.C.S. Part XXV (relating to retirement

1 for State employees and officers).

2 Section 3. One Pennsylvania.

3 (a) Establishment.--The department shall establish a
4 pharmacy benefits consolidation program to be known as One
5 Pennsylvania. The program shall administer all Commonwealth
6 prescription drug plans through an integrated system of plan
7 administration using uniform standards and requirements for the
8 reimbursement of pharmacies as provided by this act. To the
9 extent consolidation or the implementation of this act is
10 prohibited by Federal law or regulations, the department may
11 modify the requirements of this act or exclude or limit its
12 application to particular prescription drug plans to the extent
13 necessary to comply with Federal law or regulations.

14 (b) Requirements.--The department shall do all of the
15 following:

16 (1) Manage and implement a uniform formulary and
17 preferred drug list for the program under this act. A
18 formulary shall include all prescription drugs for which a
19 manufacturer has entered into a rebate agreement pursuant to
20 section 5 and the requirements and restrictions, except for
21 prior authorization, provided by section 1927(d) the Social
22 Security Act. A preferred drug list shall comply with the
23 standards established by Part D, section 1860D-4(b)(3) of the
24 Social Security Act and any additional regulations as may be
25 adopted by the department pursuant to this act. The list of
26 drugs included in the formulary and preferred drug list shall
27 be publicly available, posted electronically on the Internet
28 website of the department and communicated to pharmacies
29 through alerts.

30 (2) Ensure that any pharmacy licensed in this

1 Commonwealth is eligible to provide pharmacy services
2 according to any regulations adopted by the department
3 pursuant to this act.

4 (3) (i) Except as provided in subparagraph (ii), make
5 provisions for generic substitutions in accordance with
6 the act of November 24, 1976 (P.L.1163, No.259), referred
7 to as the Generic Equivalent Drug Law.

8 (ii) Notwithstanding the provisions of the Generic
9 Equivalent Drug Law and the act of August 26, 1971
10 (P.L.351, No.91), known as the State Lottery Law, generic
11 substitutions shall only be dispensed when it is less
12 expensive for the program.

13 (4) Provide for a program of prospective drug
14 utilization review consistent with section 1927(g)(2) of the
15 Social Security Act.

16 (5) Provide for prior authorization consistent with the
17 requirements of section 1927(g)(5) of the Social Security Act
18 and in accordance with regulations of the department.

19 (6) Take all reasonable measures to ascertain the legal
20 liability of any third parties, including health insurers,
21 self-insured plans, group health plans as defined by section
22 607(1) of the Employee Retirement Income Security Act of 1974
23 (Public Law 93-406, 88 Stat. 829), service benefit plans,
24 managed care organizations, pharmacy benefit managers, the
25 Medicare program, other prescription drug plans or other
26 parties that are, by statute, contract or agreement, legally
27 responsible for payment for prescription drugs before claims
28 become the liability of any prescription drug plan subject to
29 this act and pursue claims against such parties for payment.

30 Information regarding such third party benefits shall be

1 included on identification cards issued to persons eligible
2 to claim benefits from prescription drug plans and shall be
3 included in all mechanized claims processing and information
4 retrieval systems, including systems required under section
5 1903(r) of the Social Security Act. Unless a pharmacy has
6 actual knowledge regarding the availability of such third-
7 party benefits to a claimant, a pharmacy is entitled to relay
8 information regarding the availability of such benefits
9 provided by the department, and shall not be liable to repay,
10 in whole or in part, amounts paid by a prescription drug plan
11 for prescription drugs for which any such third party is
12 liable.

13 (7) Provide for a program of retrospective drug
14 utilization review and education consistent with section
15 1927(g)(2) of the Social Security Act and in accordance with
16 regulations of the department to ensure that prescriptions
17 are appropriate, medically necessary and not likely to result
18 in adverse medical results and to educate providers and
19 recipients of pharmacy services through the pharmacy
20 consolidated benefits program and to correct and report
21 misutilization and abuse by licensed prescribers and
22 recipients and provide for fraud and abuse audits,
23 coordinating its activities with the secretary to support
24 compliance with applicable laws and regulations. Pharmacies
25 shall not be denied payments for medications dispensed based
26 upon the results of retrospective drug utilization review or
27 audits, where the medication was dispensed in good faith by
28 the pharmacy without prior knowledge that the prescription of
29 a medication was not appropriate or necessary, was likely to
30 cause adverse medical results or constituted a fraudulent or

1 abusive practice by the prescriber.

2 (8) Establish a program of medication therapy management
3 consistent with section 1860D-4(c)(2) of the Social Security
4 Act.

5 (9) Provide educational materials for program recipients
6 of pharmacy services on disease and care management.

7 (10) In accordance with section 1927(a) through (d) of
8 the Social Security Act or Chapter 7 of the act of August 26,
9 1971 (P.L.351, No.91), known as the State Lottery Law, bill,
10 recoup and relay to the medical assistance program
11 manufacturers' drug rebates and excessive consumer price
12 inflation discounts and resolve disputes. Upon the
13 establishment of the program, all medical assistance
14 recipients shall be enrolled in prescription drug programs
15 for which rebates and discounts are collected pursuant to
16 section 1927(a) through (d) of the Social Security Act.

17 (11) Adjudicate claims through an electronic claims
18 management system consistent with section 1927(h) of the
19 Social Security Act and which allows for an emergency supply
20 of prescribed medication in the event of equipment failures.

21 (12) Create a uniform audit and recoupment system
22 subject to the requirements of section 7(c) for all of the
23 following:

24 (i) Pharmacies, pharmacists, dispensing physicians
25 and any other providers of pharmacy services.

26 (ii) Individuals enrolled in prescription drug plans
27 and applicants for enrollment in prescription drug plans.

28 (iii) Prescription drug plans, pharmacy benefit
29 managers and other persons providing services related to
30 the provision of pharmacy services or the administration

1 of prescription drug plans.

2 (iv) Other providers of prescription drug benefits
3 subject to coordination of benefit requirements with
4 prescription drug plans, including health insurance
5 companies, employee benefit plans and trust funds, health
6 maintenance organizations, Medicare benefit providers,
7 workers compensation insurers and automobile insurance
8 companies.

9 (v) Pharmaceutical manufacturers, wholesalers and
10 other suppliers of prescription drugs.

11 (13) Provide for the reimbursement of all pharmacies
12 participating in prescription drug programs on a fee-for-
13 service basis.

14 (14) Allow pharmacists certified in medication therapy
15 management by a national accrediting body or by any other
16 certification process approved by the State Board of Pharmacy
17 to provide medication therapy management.

18 (c) Considerations.--In preparing and managing the uniform
19 formulary and preferred drug list, the department shall enter
20 into agreements with drug manufacturers to collect and remit to
21 the program discounts, rebates or other concessions offered by
22 manufacturers.

23 (d) Advisory committee.--

24 (1) An advisory committee to the department shall be
25 established consisting of the following members:

26 (i) Three members appointed by the Governor.

27 (ii) Two members appointed by each of the following:

28 (A) The President pro tempore of the Senate.

29 (B) The Minority Leader of the Senate.

30 (C) The Speaker of the House of Representatives.

1 (D) The Minority Leader of the House of
2 Representatives.

3 (2) Each legislative appointing authority shall appoint
4 one member pursuant to paragraph (1)(ii) involved in the
5 ownership or operation of independent pharmacies and one
6 member involved in the ownership or operation of chain
7 pharmacies.

8 (3) Members of the committee shall serve without
9 compensation but shall be reimbursed for their reasonable and
10 necessary expenses by the department.

11 (4) Members of the committee shall serve for indefinite
12 terms at the will of their respective appointing authorities.

13 (5) Action by the committee shall require a vote by at
14 least seven members.

15 (6) Members of the committee shall annually elect a
16 chairperson.

17 Section 4. Reimbursement.

18 (a) General rule.--Reimbursement to pharmacies shall include
19 all of the following:

20 (1) Payment sufficient to reimburse retail pharmacies
21 for the reasonable and necessary costs incurred to purchase
22 drugs.

23 (2) Except to the extent otherwise required by Federal
24 law or regulations, payments to retail pharmacies pursuant to
25 paragraph (1) shall be based upon the average retail pharmacy
26 acquisition cost for a medication without regard to customary
27 prompt pay discounts in the package size most commonly
28 purchased by retail pharmacies as determined by the
29 department pursuant to subsection (d), or a pharmacy's actual
30 acquisition cost for a medication, whichever amount is

greater.

(3) Payment for dispensing costs adequate to cover costs associated with all of the following:

(i) Wages and salaries.

(ii) Costs to store and secure inventory.

(iii) Patient counseling.

(iv) Drug utilization review.

(v) Licensing fees.

(vi) Taxes.

(vii) Insurance.

(viii) Other direct and indirect costs of operating a pharmacy.

(ix) A reasonable profit to generate a return on the investment associated with the costs.

(4) During the first year this section is in effect, payments pursuant to paragraph (3) shall be not less than \$10 for the dispensing of a single source drug as defined by section 1927(k)(7)(A)(iv) of the Social Security Act or \$15 for the dispensing of a multiple-source drug as defined by section 1927(k)(7)(A)(iv) of the Social Security Act.

Beginning on January 1 of each subsequent year, payment pursuant to paragraph (3) shall be not less than the prior year's minimum payments as adjusted based upon the annual percentage change in Consumer Price Index for medical care professional services as published by the Bureau of Labor Statistics of the United States Department of Labor for the month of December of the immediately prior year.

(5) Additional payment for:

(i) Medication therapy management.

(ii) Concurrent and retrospective utilization

1 review.

2 (iii) Managing prior authorization requirements.

3 (iv) To the extent authorized by section 9.1 of the
4 Pharmacy Act, implementing drug therapy protocols.

5 (v) Compounding prescriptions.

6 (vi) Preparing specialized packaging for the
7 administration of medications in long-term care
8 facilities.

9 (vii) Preparing medications for intravenous
10 administration.

11 (viii) Other reasonable and necessary pharmacy
12 services.

13 (b) Prompt payment.--Pharmacies shall be paid within 21 days
14 of the department's receipt of appropriate substantiation of the
15 transaction. Pharmacies shall be entitled to interest at the
16 rate provided by section 806 of the act of April 9, 1929
17 (P.L.343, No.176), known as The Fiscal Code, for any payment not
18 made within the 21-day period.

19 (c) Average retail pharmacy acquisition costs.--The
20 department shall determine and publicly make available through
21 its Internet website the average retail pharmacy acquisition
22 cost for covered medications pursuant to regulations approved by
23 the advisory committee in a manner consistent with the
24 methodology used by the Congressional Budget Office in its
25 December 26, 2006, report to the Committee on Energy and
26 Commerce of the United States House of Representatives based
27 upon a survey of retail pharmacy wholesale invoices or through
28 the use of commercially available sources of information.
29 Average pharmacy acquisition costs shall be updated weekly.

30 (d) Copayments.--Except for services which are excluded

1 under the Commonwealth's medical assistance program, the
2 department may require pharmacies to collect a copayment in an
3 amount set by the department. To the extent a pharmacy is
4 required by Federal or State law to dispense prescriptions to
5 persons unable to satisfy copayment obligations, the pharmacy
6 shall be reimbursed for uncollected copayment amounts. The
7 department shall neither require copayments from beneficiaries
8 nor deduct copayment amounts from pharmacy reimbursements for
9 any particular classes of drugs or prescription drug plan
10 recipients to the extent there is good cause to conclude that
11 copayment requirements will result in noncompliance with
12 prescription drug treatment protocols and will increase overall
13 health care costs or result in imminent and substantial risk of
14 harm or injury to recipients or other persons. Except to the
15 extent prohibited by Federal law, the department may accept
16 compensation for the purpose of reducing or eliminating
17 copayments from drug manufacturers, distributors, health care
18 plans or other persons or organizations for the purpose of
19 encouraging therapeutically desirable compliance with
20 prescription drug treatment protocols.

21 Section 5. Rebate agreement.

22 (a) Required agreements.--Except as provided in subsection
23 (b), the department shall not include on the formulary of
24 preferred drug list established pursuant to section 3(b)(1) any
25 prescription drug unless the department and the pharmaceutical
26 manufacturer have entered into a rebate agreement covering that
27 prescription drug on terms comparable to agreements executed
28 pursuant to section 1927(a), (b), (c) and (d) of the Social
29 Security Act. The rebate agreement shall provide that, unless
30 prohibited by Federal law, the rebate shall be based on the best

1 price and that additional rebates shall be paid if the
2 pharmaceutical manufacturer increases the price of the drug by
3 an amount greater than the increase in the Consumer Price Index
4 for All Urban Consumers. Nothing in this act shall prevent the
5 department from negotiating agreements for the payment of
6 additional rebates and discounts for the benefit of the medical
7 assistance program or from entering into rebate and discount
8 agreements for other plans which have been consolidated into the
9 program for greater rebates and discounts than are required
10 pursuant to section 1927(c) of the Social Security Act.

11 (b) Exceptions.--Subsection (a) shall not apply if the
12 availability of the drug is essential to the health of members
13 of the pharmacy consolidated benefits program as determined by
14 the department.

15 (c) Contracts.--Pharmaceutical manufacturers must enter into
16 a rebate agreement with the department to obtain reimbursement
17 for prescription drugs included under this act. The rebate shall
18 be paid by the manufacturer not later than 30 days after the
19 date of receipt of information necessary to calculate the amount
20 of the rebate. The department shall have the authority to levy a
21 15% surcharge penalty on any rebate not in dispute that remains
22 unpaid for 90 or more days.

23 Section 6. Regulations and adjudications.

24 (a) Regulations.--The department shall seek recommendations
25 of the advisory committee prior to promulgating rules and
26 regulations, as necessary, to carry out the provisions of this
27 act.

28 (b) Policies.--The department, acting in consultation with
29 the advisory committee, shall promulgate statements of policy,
30 as necessary, to carry out the provisions of this act. No

1 statement of policy adopted by the department shall have the
2 force and effect of law or regulation or may modify the
3 provisions of any regulations adopted by the department. All
4 statements of policy adopted by the department shall, except in
5 emergency circumstances, be published for notice and comment
6 prior to adoption and shall be published in the Pennsylvania
7 Bulletin and the Pennsylvania Code.

8 (c) Audit manual.--Based upon its regulations and policies,
9 the department shall adopt a manual setting forth procedures,
10 guidelines and standards to be utilized by prescription drug
11 plans and the department in audits of pharmacies participating
12 in the pharmacy consolidation benefits program. The audit manual
13 shall provide that:

14 (1) Any actions taken to recover or recoup payments to
15 pharmacies, seek restitution or impose interest, penalties or
16 other sanctions upon pharmacies will be taken in compliance
17 with the procedures provided by the audit manual.

18 (2) Except when otherwise justified by emergency
19 circumstances, allegations of criminal conduct or threats to
20 public health, pharmacies shall be given at least 30 days'
21 advance notice of any onsite audits.

22 (3) Except when otherwise justified by emergency
23 circumstances, allegations of criminal conduct or threats to
24 public health, audits will not interfere with the delivery of
25 services to patients, disrupt pharmacy operations or impose
26 any unreasonable burdens upon pharmacies or pharmacists.

27 (4) Any audit involving clinical or professional
28 judgment will be conducted by or in consultation with a
29 properly qualified consulting pharmacist.

30 (5) Pharmacies will not be subject to claims for the

1 recovery or recoupment of payments, restitution, interest,
2 penalties or other sanctions for minor, isolated or good-
3 faith errors and omissions in the processing of claims unless
4 the pharmacies engage in fraud, intentional misconduct,
5 willful or grossly negligent activities or create threats to
6 the health and safety of patients.

7 (6) Claims for the recovery or recoupment of payments,
8 restitution, interest, penalties or other sanctions shall not
9 be based upon statistical sampling and projection or
10 extrapolation techniques.

11 (7) Errors or omissions in records may be corrected and
12 the validity of records confirmed through the use of any
13 reliable source of information, including records and reports
14 provided by prescribing and treating health care
15 professionals, health care facilities, by reliance upon
16 electronic copies of original records or through the use of
17 other confirming documents, records, reports or testimony.

18 (8) No audit shall be conducted more than 12 months
19 after the date a claim was submitted for payment.

20 (9) No contingent fee compensation or payment shall be
21 made to any consultant or advisor conducting or assisting in
22 the conduct of an audit.

23 (10) Upon the conclusion of an audit, an exit interview
24 will be conducted explaining any claims asserted and offering
25 a pharmacy an informal opportunity to respond to any claims
26 before a written audit report is produced.

27 (11) Following the production of a written audit report,
28 a pharmacy shall be given at least 60 days in which to
29 respond to the report, provide any additional required
30 documentation or present objections to the audit, before the

audit shall be deemed a final adjudication subject to review pursuant to subsection (d).

(d) Adjudications.--Adjudications conducted by the department shall be subject to 2 Pa.C.S. Ch. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and Ch. 7 Subch. A (relating to judicial review of Commonwealth agency action). The department shall adopt rules of procedure regarding the conduct of adjudications involving pharmacies consistent with the provisions of 67 Pa.C.S. §§ 1102 (relating to hearings before the bureau), 1103 (relating to supersedeas), 1104 (relating to subpoenas) and 1105 (relating to determinations, review, appeal and enforcement).

Section 7. Applicability.

This act shall apply to the medical assistance program except to the extent the secretary, in consultation with the Department of Public Welfare, determines that the application is a violation of Federal law or an existing contractual agreement. Nothing in this act shall supersede or impede an existing contractual agreement. Contractual agreements in effect on the effective date of this section shall not be renewed or extended to the extent inconsistent with the requirements of this act, and the department shall promptly enter into negotiations to modify any contractual agreements inconsistent with this act to conform to the requirements of this act.

Section 8. Prohibited activities.

It shall be unlawful for any individual, partnership or corporation to solicit, receive, offer or pay any kickback, bribe or rebate in cash or in kind from or to any person in connection with the furnishing of services under this act to the same extent as prohibited with respect to Federal health

1 programs by section 1128(b)(1) and (2) of the Social Security
2 Act, subject to the safe harbors from sanctions provided by
3 sections 1877(a)(1) and 1860D-4(e)(6) of the Social Security
4 Act. Violations of this section shall be subject to the
5 sanctions, penalties and remedies under section 1407 of the
6 Public Welfare Code.

7 Section 9. Repeals.

8 (a) Intent.--The General Assembly declares that the repeal
9 under subsection (b) is necessary to effectuate the purposes of
10 this act.

11 (b) Provision.--Section 509 of the act of August 26, 1971
12 (P.L.351, No.91), known as the State Lottery Law, is repealed.

13 (c) General.--All other acts and parts of acts are repealed
14 insofar as they are inconsistent with this act.

15 Section 10. Effective date.

16 This act shall take effect as follows:

17 (1) Sections 3(d), 4(a)(4) and 6 shall take effect
18 immediately.

19 (2) The remainder of this act shall take effect in one
20 year.