
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1301

Session of
1983

INTRODUCED BY BARBER, WACHOB, HOFFEL, BELOFF, IRVIS, MILLER,
HARPER, FATTAH, WIGGINS, ITKIN, ZWIKL, F. E. TAYLOR, MRKONIC,
SALOOM, CIMINI, KOSINSKI, KASUNIC, MICHLOVIC, CIVERA,
ALDERETTE, ANGSTADT, MICOZZIE, MANDERINO, JOHNSON, GRUPPO,
LASHINGER, PRATT, DeLUCA, J. L. WRIGHT, MORRIS, HALUSKA,
FREEMAN, PRESTON, MAIALE, CALTAGIRONE, CLARK, COLE, BELFANTI,
KUKOVICH, GALLAGHER, JAROLIN, RYBAK, DOMBROWSKI, COY,
SHOWERS, PISTELLA, COHEN, STEIGHNER, RUDY, SEVENTY, FISCHER,
E. Z. TAYLOR, TRUMAN, McCALL, OLIVER, RICHARDSON, STUBAN AND
DAWIDA, JUNE 29, 1983

REFERRED TO COMMITTEE ON HEALTH AND WELFARE, JUNE 29, 1983

AN ACT

1 Establishing a program of pharmaceutical assistance to the aged;
2 providing further duties of the Department of Aging; and
3 making an appropriation.

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

6 Section 1. Short title.

7 This act shall be known and may be cited as the
8 Pharmaceutical Assistance Plan to the Aged Act.

9 Section 2. Definitions.

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

13 "Co-payment." The sum to be paid by eligible claimants for
14 prescription drugs.

1 "Department." The Department of Aging.

2 "Eligible claimant." Any resident of the Commonwealth 65
3 years of age and older, whose annual income is less than the
4 maximum annual income, and who is not otherwise qualified for
5 public assistance under the act of June 13, 1967 (P.L.31,
6 No.21), known as the Public Welfare Code.

7 "Income." All income from whatever source derived including,
8 but not limited to, salaries, wages, bonuses, commissions,
9 income from self-employment, alimony, support money, cash public
10 assistance and relief, the gross amount of any pensions or
11 annuities including railroad retirement benefits, all benefits
12 received under the Federal Social Security Act (except Medicare
13 benefits), all benefits received under State unemployment
14 insurance laws and veterans' disability payments, all interest
15 received from the Federal or any state government, or any
16 instrumentality or political subdivision thereof, realized
17 capital gains, rentals workmen's compensation and the gross
18 amount of loss of time insurance benefits, life insurance
19 benefits and proceeds (except the first \$5,000 of the total of
20 death benefit payments), gifts of cash or property (other than
21 transfers by gift between members of a household) in excess of a
22 total value of \$300, but shall not include surplus food or other
23 relief in kind supplied by a governmental agency or property tax
24 or rent rebate or inflation dividend.

25 "Legend drugs." Any drug bearing a label or legend which
26 prohibits dispensing the drug without a doctor's prescription.

27 "Maximum annual income." That annual income amount not in
28 excess of \$9,000 in the case of single persons and \$12,000 in
29 the case of the combined annual income of married persons.

30 "Prescription drugs." All legend drugs, insulin, insulin

1 syringes and insulin needles.

2 "Program." The program of pharmaceutical assistance to the
3 aged as established by this act.

4 "Reasonable cost." The cost of prescription drugs and a
5 dispensing fee, as determined by the department.

6 Section 3. Payments under program.

7 The program shall consist of payments to pharmacies on behalf
8 of eligible claimants for the reasonable cost of prescription
9 drugs which exceed a \$4 co-payment per prescription, or per
10 purchase of insulin, paid by each eligible claimant.

11 Section 4. Use of generic drugs.

12 In order for payment to be made by the department, generic
13 equivalent drugs shall be utilized by pharmacists when filling
14 prescriptions written for a brand name legend drug, unless the
15 prescribing physician specifically orders the pharmacist to use
16 the brand name prescribed.

17 Section 5. Notice of nonparticipation.

18 Any pharmacy choosing not to participate in this program
19 shall post a conspicuous notice of nonparticipation at the
20 prescription counter of the pharmacy.

21 Section 6. Coordination of benefits.

22 Any otherwise eligible claimant whose prescription drug costs
23 were wholly covered by any other plan of assistance or insurance
24 shall be ineligible for assistance under the provisions of this
25 act. Any otherwise eligible claimant whose prescription drug
26 costs are covered in part by any other plan of assistance or
27 insurance may be required to receive reduced assistance under
28 the provisions of this act at the discretion of the department.

29 Section 7. Payment system.

30 (a) Departmental regulations.--The department shall by

1 regulation establish a system of payments or reimbursements and
2 a system for determining eligibility, including provisions for
3 submission of proof of actual and anticipated annual income, and
4 evidence of complete or partial coverage of prescription drug
5 costs by any other assistance or insurance plans.

6 (b) Contract.--In lieu of a payment system established
7 pursuant to subsection (a), the department may contract for the
8 establishment of such a system, if such a contract would be
9 economically advantageous to the Commonwealth.

10 Section 8. Funding.

11 Notwithstanding section 12 of the act of August 26, 1971
12 (P.L.351, No.91), known as the State Lottery Law, funding for
13 the program provided for in this act, including administrative
14 costs as provided in section 12, shall be allocated from the
15 State Lottery Fund, and such moneys as are necessary to carry
16 out this act are hereby appropriated to the department from the
17 State Lottery Fund on a continuing basis.

18 Section 9. Duplication of Benefits.

19 No person eligible for prescription benefits under any other
20 private, State or Federal program of medical insurance or
21 assistance which duplicate the benefits available under this act
22 shall be eligible under this act to the extent of the
23 duplication.

24 Section 10. Utilization review.

25 The department shall establish a system of utilization review
26 to effectively determine the cost of the program.

27 Section 11. Regulations on eligibility and abuse.

28 The department shall adopt regulations relating to the
29 determination of eligibility of prospective claimants and the
30 determination and elimination of plan abuse. The department

1 shall have the power to declare ineligible any claimant who
2 abuses or misuses the established plan.

3 Section 12. Administrative costs.

4 The department shall receive from the State Lottery Fund
5 appropriate moneys to fund administrative costs. Administrative
6 costs shall not exceed 9% of the total State Lottery Fund moneys
7 expended for prescription drugs under provisions of the plan.

8 Section 13. Effective date.

9 This act shall take effect on October 1, 1983.