
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 297

Session of
1983

INTRODUCED BY LOEPER, HELFRICK, RHOADES, STREET, JUBELIRER,
SHAFFER, BELL, WENGER, O'PAKE, SCANLON, KRATZER, LYNCH, ROSS,
GREENLEAF AND SINGEL, FEBRUARY 22, 1983

REFERRED TO AGING AND YOUTH, FEBRUARY 22, 1983

AN ACT

1 Establishing a program of pharmaceutical assistance to the aged.

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 Assistance Plan to the Aged 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 "Department." The Department of Aging.

12 "Eligible claimant." Any single resident of the Commonwealth

13 65 years of age and over whose annual income is less than the

14 maximum annual income, or any married resident whose annual

15 income is less than the maximum annual income, shall be eligible

16 for the program if such person is not otherwise qualified for

17 assistance under the act of June 13, 1967 (P.L.31, No.21), known

1 as the Public Welfare Code.

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

20 "Maximum annual income." That annual income amount not in
21 excess of \$7,500 in the case of single persons nor \$9,500 in the
22 case of the combined annual income of married persons.

23 "Plan." Pharmaceutical Assistance Plan to the Aged as
24 established by this act.

25 "Prescription drugs." All legend drugs, insulin, insulin
26 syringes and insulin needles.

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

29 Section 3. Payments under plan.

30 (a) Payment for reasonable costs.--The Pharmaceutical

1 Assistance Plan to the Aged is hereby established and shall
2 consist of payments to pharmacies on behalf of eligible
3 claimants for the reasonable cost of prescription drugs which
4 exceed a \$4 copayment per prescription or per purchase of
5 insulin, paid by each eligible claimant.

6 (b) Additional claimant payments.--For the purpose of this
7 act, the eligible claimant shall be liable to pay the difference
8 between the brand name drug and the generically equivalent drug
9 as approved under the provisions of the act of November 24, 1976
10 (P.L.1163, No.259), referred to as the Generic Equivalent Drug
11 Law.

12 Section 4. Coordination of benefits.

13 Any otherwise eligible claimant whose prescription drug costs
14 are wholly covered by any other plan of assistance or insurance
15 shall be ineligible for assistance under the provisions of this
16 act. Any otherwise eligible claimant whose prescription drug
17 costs are covered in part by any other plan of assistance or
18 insurance may be required to receive reduced assistance under
19 the provisions of this act at the discretion of the department.

20 Section 5. Review of annual income limitations.

21 The department shall submit at the beginning of each
22 legislative session a report to the General Assembly outlining
23 recommendations regarding adjustments to the maximum annual
24 income as established by this act.

25 Section 6. Funding.

26 Funding for the program shall come from the State Lottery
27 Fund.

28 Section 7. Payment system.

29 (a) Departmental regulations.--The department shall by
30 regulation establish a system of payments or reimbursements and

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

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

9 Section 8. Regulations on eligibility and abuse.

10 The department shall adopt regulations relating to the
11 determination of eligibility of prospective claimants and the
12 determination and elimination of plan abuse. The department
13 shall have the power to declare ineligible any claimant who
14 abuses or misuses the established plan.

15 Section 9. Administrative costs.

16 The department shall receive from the State Lottery Fund
17 appropriate moneys to fund administrative costs. Administrative
18 costs shall not exceed 9% of the total State Lottery Fund moneys
19 expended for prescription drugs under provisions of the plan.

20 Section 10. Effective date.

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