

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 714

Session of
1983

INTRODUCED BY ROCKS, FUMO, LLOYD, WILLIAMS, HANKINS AND LYNCH,
MAY 3, 1983

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
NOVEMBER 27, 1984

AN ACT

1 ~~Amending the act of June 28, 1895 (P.L.408, No.289), entitled,~~ <—
2 ~~as amended, "An act to the twenty fourth section of an act,~~
3 ~~entitled 'A supplement to provide revenue by taxation,~~
4 ~~approved the seventh day of June, one thousand eight hundred~~
5 ~~and seventy nine,' approved the first day of June, one~~
6 ~~thousand eight hundred and eighty nine, amending the twenty-~~
7 ~~fourth section, by providing for the payment by the State~~
8 ~~Treasurer of the two per centum tax on premiums paid by~~
9 ~~foreign fire insurance companies to the treasurers of the~~
10 ~~several cities, towns, townships and boroughs, within this~~
11 ~~Commonwealth," requiring treasurers to make payments within~~
12 ~~60 days of receipt of the State moneys for relief or pension~~
13 ~~associations.~~

14 AMENDING THE ACT OF NOVEMBER 4, 1983 (P.L.217, NO.63), ENTITLED <—
15 "AN ACT ESTABLISHING A PROGRAM OF LIMITED PHARMACEUTICAL
16 ASSISTANCE FOR THE ELDERLY; GRANTING POWERS TO AND IMPOSING
17 DUTIES ON THE DEPARTMENT OF AGING; ESTABLISHING A PAYMENT
18 SYSTEM; MAKING PROVISIONS FOR FUNDING; PROVIDING FOR REPORTS;
19 AND FIXING PENALTIES FOR VIOLATIONS OF THE PHARMACEUTICAL
20 ASSISTANCE PROGRAM," FURTHER PROVIDING FOR MAXIMUM ANNUAL
21 INCOME, FOR ELIGIBILITY AND PROGRAM CRITERIA; AND PROVIDING <—
22 FOR A PRESCRIPTION DRUG EDUCATION PROGRAM.

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

25 ~~Section 1. Section 2(a) of the act of June 28, 1895~~ <—
26 ~~(P.L.408, No.289), referred to as the Foreign Fire Insurance~~

1 ~~Premium Tax Allocation Law, amended March 13, 1974 (P.L.196,~~
2 ~~No.38), is amended to read:~~

3 ~~Section 2. (a) On and after the first day of January, one~~
4 ~~thousand nine hundred and nineteen, and annually thereafter,~~
5 ~~there shall be paid by the State Treasurer to the treasurers of~~
6 ~~the several cities, towns, townships, and boroughs within the~~
7 ~~Commonwealth, the entire net amount received from the two per~~
8 ~~centum tax paid upon premiums by foreign fire insurance~~
9 ~~companies. The amount to be paid to each of the treasurers of~~
10 ~~the several cities, towns, townships, and boroughs shall be~~
11 ~~based upon the return of said two per centum tax upon premiums~~
12 ~~received from foreign fire insurance companies doing business~~
13 ~~within the said cities, towns, townships, and boroughs, and~~
14 ~~shall be proportionate to the premiums received by such~~
15 ~~companies on account of insurance written upon property located~~
16 ~~in such city, borough, town or township, as shown by the report~~
17 ~~made to the Department of Revenue. Each city, borough, town or~~
18 ~~township, receiving any payment from the State Treasurer~~
19 ~~hereunder, shall forthwith pay the amount received within sixty~~
20 ~~days of receipt to the relief fund association of, or the~~
21 ~~pension fund covering the employes of the fire department, or of~~
22 ~~such fire company, or fire companies, paid or volunteer, now~~
23 ~~existing, or hereafter organized, in such city, borough, town,~~
24 ~~or township, as is or are engaged in the service of such city,~~
25 ~~borough, town or township, and duly recognized as such by the~~
26 ~~council or commissioners or supervisors, as the case may be, of~~
27 ~~such city, borough, town, or township. In any borough, town or~~
28 ~~township in which there is no fire department or fire company or~~
29 ~~companies, the amount received by the treasurer of the borough,~~
30 ~~town or township from said tax shall be forthwith paid within~~

1 ~~sixty days of receipt to the relief fund association, or pension~~
2 ~~fund of the fire department or fire company or companies of any~~
3 ~~near or adjacent city, borough, town, or township, the fire~~
4 ~~department or fire company or companies of which afford fire~~
5 ~~protection to the inhabitants of such borough, town, or~~
6 ~~township. Before payment of said tax to the treasurer of any~~
7 ~~such borough, town, or township, the mayor, in boroughs, and the~~
8 ~~secretary of the board of supervisors, in towns, or townships,~~
9 ~~shall first certify to the Auditor General that the fire~~
10 ~~department or fire company or companies of such near or adjacent~~
11 ~~city, borough, town, or township afford fire protection to the~~
12 ~~inhabitants of such borough, town, or township: Provided, That~~
13 ~~if the fire department consists of paid and volunteer firemen~~
14 ~~and the paid firemen shall be covered by a pension fund, then~~
15 ~~the two per centum tax aforesaid shall be divided equally~~
16 ~~between the relief fund association of the volunteer firemen and~~
17 ~~the pension fund for the paid firemen. Warrants for the above~~
18 ~~purposes shall be drawn by the Auditor General, payable to the~~
19 ~~treasurers of the several cities, towns, townships, and~~
20 ~~boroughs, in accordance with this act, whenever there are~~
21 ~~sufficient funds in the State Treasury to pay the same. All such~~
22 ~~fire insurance companies shall instruct their agents to place~~
23 ~~conspicuously upon the said policies and in the applications for~~
24 ~~said policies, if any, the exact name of the city, borough, town~~
25 ~~or township wherein the insured property is located in addition~~
26 ~~to the mailing address for said insured property.~~

27 * * *

28 Section 2. ~~This act shall take effect immediately.~~

29 SECTION 1. THE DEFINITION OF "MAXIMUM ANNUAL INCOME" IN
30 SECTION 3 OF THE ACT OF NOVEMBER 4, 1983 (P.L.217, NO.63), KNOWN

<—

1 AS THE PHARMACEUTICAL ASSISTANCE CONTRACT FOR THE ELDERLY ACT,
2 IS AMENDED TO READ:

3 SECTION 3. DEFINITIONS.

4 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL
5 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
6 CONTEXT CLEARLY INDICATES OTHERWISE:

7 * * *

8 "MAXIMUM ANNUAL INCOME." ANNUAL INCOME AS DETERMINED BY THE
9 DEPARTMENT. SUCH AMOUNT SHALL NOT EXCEED [\$9,000] \$12,000 IN THE
10 CASE OF SINGLE PERSONS NOR [\$12,000] \$15,000 IN THE CASE OF THE
11 COMBINED ANNUAL INCOME OF MARRIED PERSONS.

12 * * *

13 SECTION 2. SECTION 4(A) AND (E) OF THE ACT ARE AMENDED TO
14 READ:

15 SECTION 4. RESPONSIBILITIES OF DEPARTMENT OF AGING.

16 (A) DETERMINATION OF ELIGIBILITY.--THE DEPARTMENT SHALL
17 ADOPT REGULATIONS RELATING TO THE DETERMINATION OF ELIGIBILITY
18 OF PROSPECTIVE CLAIMANTS AND PROVIDERS INCLUDING DISPENSING
19 PHYSICIANS AND THE DETERMINATION AND ELIMINATION OF PROGRAM
20 ABUSE. IN DETERMINING THE ELIGIBILITY OF PROSPECTIVE CLAIMANTS,
21 THE DEPARTMENT SHALL NOT REQUIRE PERSONS WHO ARE 65 YEARS OF AGE
22 AND OVER AND WHO HAVE QUALIFIED FOR ASSISTANCE UNDER THE ACT OF
23 MARCH 11, 1971 (P.L.104, NO.3), KNOWN AS THE SENIOR CITIZENS
24 REBATE AND ASSISTANCE ACT, TO SUBMIT PROOF OF AGE OR RESIDENCY.
25 THE DEPARTMENT OF REVENUE SHALL MAKE ITS RECORDS AVAILABLE TO
26 THE DEPARTMENT IN RELATION TO THIS PROVISION. THE DEPARTMENT
27 SHALL HAVE THE POWER TO DECLARE INELIGIBLE ANY CLAIMANT WHO
28 ABUSES OR MISUSES THE ESTABLISHED PRESCRIPTION PLAN. THE
29 DEPARTMENT SHALL HAVE THE POWER TO INVESTIGATE CASES OF
30 SUSPECTED PROVIDER OR RECIPIENT FRAUD.

1 * * *

2 (E) PROGRAM CRITERIA.--THE PROGRAM SHALL INCLUDE THE
3 FOLLOWING CRITERIA:

4 (1) PARTICIPATING PHARMACIES ARE TO BE PAID WITHIN 21
5 DAYS OF THE CONTRACTING FIRM RECEIVING THE APPROPRIATE
6 SUBSTANTIATION OF THE TRANSACTION. PHARMACIES SHALL BE
7 ENTITLED TO INTEREST FOR PAYMENT NOT MADE WITHIN THE 21-DAY
8 PERIOD AT A RATE APPROVED BY THE PHARMACEUTICAL ASSISTANCE
9 REVIEW BOARD.

10 (2) COLLECTION OF THE COPAYMENT BY PHARMACIES SHALL BE
11 MANDATORY.

12 (3) SENIOR CITIZENS PARTICIPATING IN THE PROGRAM ARE NOT
13 REQUIRED TO MAINTAIN RECORDS OF EACH TRANSACTION.

14 (4) A SYSTEM OF REBATES OR REIMBURSEMENTS TO THE
15 PARTICIPANT FOR PHARMACEUTICAL EXPENSES SHALL BE PROHIBITED.

16 (5) THE SYSTEM ESTABLISHED SHALL INCLUDE A PARTICIPANT
17 COPAYMENT SCHEDULE OF \$4 FOR EACH PRESCRIPTION FOR THE FIRST
18 YEAR OF THE CONTRACT. THE COPAYMENT SHALL INCREASE OR
19 DECREASE ON THE ANNUAL BASIS BY THE AVERAGE PERCENT CHANGE OF
20 INGREDIENT COSTS FOR ALL PRESCRIPTION DRUGS PLUS A
21 DIFFERENTIAL TO RAISE THE COPAYMENT TO THE NEXT HIGHEST 25¢
22 INCREMENT. IN ADDITION, THE DEPARTMENT MAY APPROVE A REQUEST
23 FOR INCREASE OR DECREASE IN THE LEVEL OF COPAYMENT BASED UPON
24 THE FINANCIAL EXPERIENCE AND PROJECTIONS OF THE PROGRAM AND
25 AFTER CONSULTATION WITH THE PHARMACEUTICAL ASSISTANCE REVIEW
26 BOARD. THE DEPARTMENT IS PROHIBITED FROM APPROVING
27 ADJUSTMENTS TO THE COPAYMENT ON MORE THAN A SEMIANNUAL BASIS.

28 (6) THE PROGRAM SHALL CONSIST OF PAYMENTS TO PHARMACIES
29 ON BEHALF OF ELIGIBLE CLAIMANTS FOR THE AVERAGE WHOLESALE
30 COST OF LEGEND DRUGS, INSULIN, INSULIN SYRINGES AND INSULIN

1 NEEDLES WHICH EXCEED THE COPAYMENT AND A DISPENSING FEE OF AT
2 LEAST \$2.50. IN NO CASE SHALL THE COMMONWEALTH BE CHARGED
3 MORE THAN THE PRICE OF THE DRUG AT THE PARTICULAR PHARMACY ON
4 THE DATE OF THE SALE. FOR THE PURPOSE OF THIS ACT, THE
5 ELIGIBLE CLAIMANT SHALL BE LIABLE TO PAY THE DIFFERENCE
6 BETWEEN THE BRAND NAME DRUG AND THE GENERICALLY EQUIVALENT
7 DRUG AS APPROVED UNDER THE PROVISIONS OF THE ACT OF NOVEMBER
8 24, 1976 (P.L.1163, NO.259), REFERRED TO AS THE GENERIC
9 EQUIVALENT DRUG LAW. ONLY THE PHYSICIAN MAY PRESCRIBE A
10 NONGENERIC MEDICATION.

11 (7) PRESCRIPTION BENEFITS FOR ANY SINGLE PRESCRIPTION
12 SHALL BE LIMITED TO A [30-DAY] 31-DAY SUPPLY OF THE
13 PRESCRIPTION DRUG OR [100] 125 DOSES, WHICHEVER IS LESS,
14 EXCEPT THAT IN THE CASE OF ACUTE DRUGS THE LIMITATION SHALL
15 BE A 15-DAY SUPPLY.

16 (8) EXPERIMENTAL DRUGS ARE TO BE EXCLUDED FROM THE
17 PROGRAM.

18 (9) [A SYSTEM OF MAIL ORDER DELIVERY FOR PRESCRIPTIONS
19 SHALL BE PROHIBITED UNDER THIS PROGRAM.] THE DEPARTMENT OF
20 AGING MAY NOT ENTER INTO A CONTRACT WITH A PRIVATE CONTRACTOR
21 FOR AN EXCLUSIVE MAIL ORDER SYSTEM FOR THE DELIVERY OF
22 PRESCRIPTION DRUGS UNDER THIS PROGRAM. NOTHING HEREIN SHALL
23 PROHIBIT AN INDIVIDUAL MAIL ORDER PHARMACY SERVICE THAT IS
24 LICENSED BY THE COMMONWEALTH AND WHICH HAS ITS PRINCIPAL
25 PLACE OF BUSINESS WITHIN THE COMMONWEALTH FROM PARTICIPATING
26 AS A PROVIDER UNDER THE PROGRAM.

27 (10) THE PROGRAM MUST BE IN PLACE AND OPERATIONAL WITHIN
28 90 DAYS OF THE EFFECTIVE DATE OF THE CONTRACT.

29 * * *

30 SECTION 3. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

1 SECTION 4.1. PRESCRIPTION DRUG EDUCATION PROGRAM.

2 THE DEPARTMENT, IN COOPERATION WITH THE DEPARTMENT OF HEALTH,
3 SHALL DEVELOP AND IMPLEMENT A STATEWIDE PRESCRIPTION DRUG
4 EDUCATION PROGRAM DESIGNED TO INFORM OLDER ADULTS OF THE DANGERS
5 OF PRESCRIPTION DRUG ABUSE AND MISUSE. THE PRESCRIPTION DRUG
6 EDUCATION PROGRAM SHALL INCLUDE, BUT NOT BE LIMITED TO,
7 INFORMATION CONCERNING THE FOLLOWING:

- 8 (1) THE HAZARDS OF PRESCRIPTION DRUG OVERDOSE.
- 9 (2) THE POTENTIAL DANGERS OF MIXING PRESCRIPTION DRUGS.
- 10 (3) THE DANGER OF RETAINING UNUSED PRESCRIPTION DRUGS
11 AFTER THE NEED TO TAKE THEM NO LONGER EXISTS.
- 12 (4) THE NECESSITY TO CAREFULLY QUESTION PHYSICIANS AND
13 PHARMACISTS CONCERNING THE EFFECTS OF TAKING PRESCRIPTION
14 DRUGS.
- 15 (5) THE ADVISABILITY OF MAINTAINING A PRESCRIPTION DRUG
16 PROFILE OR OTHER RECORD OF PRESCRIPTION DRUG DOSAGE AND
17 FREQUENCY OF DOSAGE.
- 18 (6) THE DESIRABILITY OF ADVISING FAMILY MEMBERS OF THE
19 TYPES AND PROPER DOSAGE OF PRESCRIPTION DRUGS WHICH ARE BEING
20 TAKEN.
- 21 (7) THE DANGERS OF TAKING PRESCRIPTION DRUGS IN EXCESS
22 OF PRESCRIBED DOSAGES.
- 23 (8) THE NEED TO OBTAIN COMPLETE, DETAILED DIRECTIONS
24 FROM THE PHYSICIAN OR PHARMACIST CONCERNING THE TIME PERIOD A
25 PRESCRIPTION DRUG SHOULD BE TAKEN.

26 ~~SECTION 2. THIS ACT SHALL TAKE EFFECT APRIL 1, 1985.~~ <—

27 SECTION 4. THIS ACT SHALL TAKE EFFECT AS FOLLOWS: <—

- 28 (1) SECTION 1 SHALL TAKE EFFECT APRIL 1, 1985.
- 29 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IN 60
- 30 DAYS.