

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 329

Session of
1985

INTRODUCED BY FREEMAN, MRKONIC, GRUPPO, RYBAK, HERMAN, KOSINSKI,
DALEY, MORRIS, STAIRS, FATTAH, COY, CORNELL, KASUNIC,
LAUGHLIN, LASHINGER, PISTELLA, MICOZZIE, PETRARCA, CIMINI,
COLAFELLA, WILSON, TRELLO, COHEN, PRESTON, BURD, BORTNER,
LEVANSKY, CAWLEY, JAROLIN AND WAMBACH, FEBRUARY 13, 1985

REFERRED TO COMMITTEE ON HEALTH AND WELFARE, FEBRUARY 13, 1985

AN ACT

1 Amending the act of November 4, 1983 (P.L.217, No.63), entitled
2 "An act establishing a program of limited pharmaceutical
3 assistance for the elderly; granting powers to and imposing
4 duties on the Department of Aging; establishing a payment
5 system; making provisions for funding; providing for reports;
6 and fixing penalties for violations of the pharmaceutical
7 assistance program," reducing the copayment amount.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. Section 4(e) of the act of November 4, 1983
11 (P.L.217, No.63), known as the Pharmaceutical Assistance
12 Contract for the Elderly Act, is amended to read:

13 Section 4. Responsibilities of Department of Aging.

14 * * *

15 (e) Program criteria.--The program shall include the
16 following criteria:

17 (1) Participating pharmacies are to be paid within 21
18 days of the contracting firm receiving the appropriate
19 substantiation of the transaction. Pharmacies shall be

1 entitled to interest for payment not made within the 21-day
2 period at a rate approved by the Pharmaceutical Assistance
3 Review Board.

4 (2) Collection of the copayment by pharmacies shall be
5 mandatory.

6 (3) Senior citizens participating in the program are not
7 required to maintain records of each transaction.

8 (4) A system of rebates or reimbursements to the
9 participant for pharmaceutical expenses shall be prohibited.

10 (5) The system established shall include a participant
11 copayment schedule of [\$4] \$2 for each prescription for the
12 first year of the contract. The copayment shall increase or
13 decrease on the annual basis by the average percent change of
14 ingredient costs for all prescription drugs plus a
15 differential to raise the copayment to the next highest 25¢
16 increment. In addition, the department may approve a request
17 for increase or decrease in the level of copayment based upon
18 the financial experience and projections of the program and
19 after consultation with the Pharmaceutical Assistance Review
20 Board. The department is prohibited from approving
21 adjustments to the copayment on more than a semiannual basis.

22 (6) The program shall consist of payments to pharmacies
23 on behalf of eligible claimants for the average wholesale
24 cost of legend drugs, insulin, insulin syringes and insulin
25 needles which exceed the copayment and a dispensing fee of at
26 least \$2.50. In no case shall the Commonwealth be charged
27 more than the price of the drug at the particular pharmacy on
28 the date of the sale. For the purpose of this act, the
29 eligible claimant shall be liable to pay the difference
30 between the brand name drug and the generically equivalent

1 drug as approved under the provisions of the act of November
2 24, 1976 (P.L.1163, No.259), referred to as the Generic
3 Equivalent Drug Law. Only the physician may prescribe a
4 nongeneric medication.

5 (7) Prescription benefits for any single prescription
6 shall be limited to a 30-day supply of the prescription drug
7 or 100 doses, whichever is less, except that in the case of
8 acute drugs the limitation shall be a 15-day supply.

9 (8) Experimental drugs are to be excluded from the
10 program.

11 (9) A system of mail order delivery for prescriptions
12 shall be prohibited under this program.

13 (10) The program must be in place and operational within
14 90 days of the effective date of the contract.

15 * * *

16 Section 2. This act shall take effect in 60 days.