

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1887 Session of
2003

INTRODUCED BY DeLUCA, BEBKO-JONES, BIANCUCCI, FABRIZIO, HANNA,
HARHAI, JAMES, KOTIK, LaGROTTA, LAUGHLIN, LEDERER, PISTELLA,
READSHAW, ROBERTS, ROONEY, RUFFING, SHANER, SOLOBAY, STABACK,
TANGRETTI, TIGUE, WALKO, SCRIMENTI, DALEY AND YOUNGBLOOD,
JULY 18, 2003

REFERRED TO COMMITTEE ON HEALTH AND HUMAN SERVICES,
JULY 18, 2003

AN ACT

1 Establishing the Prescription Drug Fair Pricing Program; and
2 providing for powers and duties of the Department of Public
3 Welfare.

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 Prescription
8 Drug Fair Pricing 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 "Department." The Department of Public Welfare of the
14 Commonwealth.

15 "Program." The Prescription Drug Fair Pricing Program.

16 Section 3. Program.

1 (a) Establishment.--The Prescription Drug Fair Pricing
2 Program is hereby established within the department to promote
3 cost-effective practices relating to the prescribing and
4 dispensing of prescription drugs.

5 (b) Applicability.--The program shall apply to all publicly
6 funded prescription drug programs provided by the Commonwealth.

7 (c) Elements.--The program shall provide for the following:

8 (1) Establishment of a drug formulary, price schedule
9 and dispensing fees. The price schedule and dispensing fees
10 may not exceed those provided under 55 Pa. Code Ch. 1121
11 (relating to pharmaceutical services).

12 (2) Coordination of pharmaceutical benefit payments.
13 Pharmacies may not receive payments for pharmaceutical
14 services in excess of those provided under 55 Pa. Code Ch.
15 1121.

16 (3) Separate enrollment and separate provider agreements
17 for each pharmacy participating in the program.

18 Section 4. Third party administration.

19 The department may contract with a public or private third
20 party to administer all or any portion of the program.

21 Section 5. Audit.

22 The department may audit and monitor the implementation of
23 the program and compliance with the requirements of this act.

24 Section 6. Nonpreferred drugs.

25 When a prescription calls for a drug which is not provided
26 for on the formulary or which is not the preferred drug on the
27 formulary, coverage shall be authorized as if it were on the
28 formulary or were the preferred drug on the formulary, if:

29 (1) The formulary or preferred choice drug has been
30 ineffective or is reasonably expected to be ineffective in

1 treating the patient's condition or causes or is reasonably
2 expected to cause adverse or harmful reactions in the
3 patient.

4 (2) The patient agrees to pay any additional cost under
5 the patient's health benefit plan.

6 Section 7. Annual report.

7 By October 31, 2004, and each October 31 thereafter, the
8 department shall issue a report on the implementation, use and
9 activities of the program to:

10 (1) The chairman and the minority chairman of the Aging
11 and Youth Committee of the Senate.

12 (2) The chairman and minority chairman of the Public
13 Health and Welfare Committee of the Senate.

14 (3) The chairman and minority chairman of the Aging and
15 Older Adult Services Committee of the House of
16 Representatives.

17 (4) The chairman and minority chairman of the Health and
18 Human Services Committee of the House of Representatives.

19 Section 8. Waivers.

20 The department shall seek any waivers of Federal law, rule or
21 regulation necessary to implement the provisions of this act.

22 Section 9. Effective date.

23 This act shall take effect in 60 days.