

By the Committees on Health & Human Services  
Appropriations, Health Care Services and Representatives  
Argenziano, Byrd, Pruitt, Goode, Harrington, Dockery, Fasano,  
Morrone, Detert, Murman, Littlefield, Kelly, K. Smith,  
(Additional Sponsors on Last Printed Page)

1                                   A bill to be entitled  
2           An act relating to pharmacy benefits; providing  
3           intent; establishing a pharmacy benefit program  
4           for certain low-income persons, under the  
5           Agency for Health Care Administration;  
6           providing eligibility; providing program  
7           parameters; providing for processing and  
8           payment of claims; providing requirements for  
9           participation by pharmaceutical manufacturers;  
10          providing for the purchase of medications from  
11          foreign sources; providing rulemaking  
12          authority; establishing a medication purchasing  
13          cooperative to assist qualified individuals  
14          with the purchase of prescribed drugs at the  
15          best possible price; requiring the Agency for  
16          Health Care Administration to administer the  
17          cooperative; authorizing the agency to  
18          promulgate rules; providing for membership in  
19          the cooperative; requiring the cooperative to  
20          annually solicit competitive bids from licensed  
21          pharmacies to obtain discounts for members;  
22          authorizing the agency to charge a monthly  
23          membership fee to cover administrative costs;  
24          providing for the issuance of membership  
25          identification cards; requiring participating  
26          pharmacies to guarantee the discount on a  
27          prescribed drug at the rate quoted in their  
28          contract with the state; providing  
29          appropriations; providing for repeal of the  
30          pharmacy benefit program and the medication  
31          purchasing cooperative upon enactment of

1 federal pharmacy benefits through the Medicare  
2 program; providing an effective date.

3

4 Be It Enacted by the Legislature of the State of Florida:

5

6 Section 1. Pharmacy benefit program.--

7 (1) INTENT.--It is the intent of the Legislature to  
8 initiate a pharmacy benefit program for those persons with  
9 very low incomes who are most in need. It is further the  
10 intent of the Legislature to attempt to leverage maximum  
11 pharmaceutical manufacturer participation in this program.

12 (2) PROGRAM ESTABLISHED.--There is established a  
13 pharmacy benefit program which is designed to provide  
14 prescription drug coverage to a limited group of most needy  
15 individuals. The program is to be administered by the Agency  
16 for Health Care Administration, under the authority provided  
17 in s. 409.914(1), Florida Statutes, in conjunction with the  
18 Department of Elderly Affairs and the Department of Health.

19 (3) ELIGIBILITY.--Eligibility for the program is  
20 limited to those individuals who qualify for limited  
21 assistance under the Florida Medicaid program as a result of  
22 being dually eligible for both Medicare and Medicaid, but  
23 whose limited assistance does not include any pharmacy  
24 benefit. Specifically eligible are the following low-income  
25 senior citizens:

26 (a) Those with incomes between 90 percent and 100  
27 percent of the federal poverty level, the so-called qualified  
28 Medicare beneficiaries.

29 (b) Those with incomes between 100 percent and 120  
30 percent of the federal poverty level, the so-called specified  
31 low-income Medicare beneficiaries.

1           (c) Those who live in counties without a participating  
2 Medicare health maintenance organization.

3           (4) PROGRAM PARAMETERS.--

4           (a) The program shall make available the same  
5 formulary of prescription medications that is made available  
6 to Medicaid recipients. Medications shall be provided in the  
7 generic equivalent if a generic equivalent exists, except when  
8 a brand name medication is available at a cost lower than its  
9 generic equivalent or when a physician has determined that the  
10 brand name medication is necessary to achieve the desired  
11 therapeutic effect and the agency approves.

12           (b) The agency shall, by rule, determine an  
13 eligibility process, a 20-percent copayment requirement, an  
14 annual limit of \$1,000 per beneficiary, and other program  
15 parameters as necessary.

16           (c) The Medicaid fiscal agent or a separately  
17 contracted pharmacy benefits manager, or both, shall be used  
18 for the processing and payment of claims.

19           (5) PHARMACEUTICAL MANUFACTURER PARTICIPATION.--In  
20 order for a drug product to be covered under this program, the  
21 product's manufacturer shall:

22           (a) Provide the maximum rebate to the state as  
23 authorized in federal Medicaid regulations or other applicable  
24 federal drug regulations or guidelines.

25           (b) Make the drug product available to the program for  
26 the best price that the manufacturer makes the drug product  
27 available under any purchasing arrangement.

28           (c) Agree to be an active participant in Florida with  
29 the Indigent Drug Program of the Pharmaceutical Research and  
30 Manufacturers of America and the pharmacy benefit counseling  
31

1 and assistance program as established under s. 430.072,  
2 Florida Statutes.

3 (6) PURCHASE OF FOREIGN MEDICATIONS.--The agency may  
4 petition the United States Food and Drug Administration for  
5 approval to purchase otherwise prohibited medications from  
6 foreign sources for purposes of distribution under this  
7 program.

8 (7) RULES.--The agency is authorized to adopt rules to  
9 implement the provisions of this section.

10 Section 2. Medication purchasing cooperative.--

11 (1) Notwithstanding any other general or special law  
12 to the contrary, the Agency for Health Care Administration, in  
13 consultation with the Department of Health, the Department of  
14 Elderly Affairs, and the Department of Management Services,  
15 shall establish a medication purchasing cooperative to assist  
16 qualified individuals with the purchase of prescribed drugs at  
17 the best possible price.

18 (2) The medication purchasing cooperative shall be  
19 administered by the agency.

20 (3) The agency is authorized to promulgate  
21 administrative rules necessary to implement the provisions of  
22 this section.

23 (4) Individuals eligible for membership in the  
24 medication purchasing cooperative include residents of the  
25 state who are 65 years of age or older, or disabled as defined  
26 in s. 415.102(10), Florida Statutes, and who have incomes at  
27 or below 250 percent of the federal poverty level. The  
28 cooperative shall develop and implement application and  
29 eligibility determination policies and procedures necessary to  
30 determine eligibility for and enroll individuals in the  
31 cooperative.

1       (5) At least annually, the medication purchasing  
2 cooperative shall solicit competitive bids from licensed  
3 pharmacies to obtain discounts on all prescribed medicines for  
4 cooperative members. Companies bidding to serve the  
5 cooperative's membership must bid a percentage discount on all  
6 prescribed medicines listed in the state's procurement  
7 document. The cooperative may solicit bids on a county,  
8 regional, or statewide basis. The agency shall select  
9 pharmacies to participate in the program based on price,  
10 extent of drugs discounted, geographic coverage, and other  
11 factors.

12       (6) The agency may charge individuals enrolled in the  
13 cooperative a monthly membership fee at a level needed to  
14 fully offset the administrative costs of the cooperative. The  
15 agency shall issue an identification card to cooperative  
16 members for purposes of member identification to participating  
17 pharmacies.

18       (7) Member use of the identification card or  
19 participating pharmacies when purchasing prescribed drugs is  
20 voluntary. However, if a member presents a cooperative  
21 identification card to a participating pharmacy, the pharmacy  
22 must guarantee the member a discount on a prescribed drug at  
23 the rate quoted in their contract with the state.

24       (8) The agency shall submit a report to the Speaker of  
25 the House of Representatives and the President of the Senate  
26 by January 1 of each year on the status of the cooperative,  
27 including areas such as total enrollment, number of  
28 participating pharmacies, level of discounts, and savings  
29 realized by members enrolled in the program.

30       Section 3. There is hereby appropriated from the  
31 General Revenue Fund to the Agency for Health Care

1 Administration for fiscal year 2000-2001 the sum of  
2 \$15,224,242 to fund the pharmacy benefit program established  
3 under this act.

4 Section 4. There is hereby appropriated from the  
5 General Revenue Fund to the Agency for Health Care  
6 Administration the sum of \$250,000 for implementation of the  
7 medication purchasing cooperative provided for under this act.

8 Section 5. The provisions of this act shall be  
9 repealed upon the federal enactment of pharmaceutical benefits  
10 through the Medicare program.

11 Section 6. This act shall take effect upon becoming a  
12 law.

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17 ADDITIONAL SPONSORS

18 Sublette, Lynn, Russell, Waters, Rubio, Chestnut, Fiorentino,  
19 Jacobs, Crow, Bullard, Ritter, Wasserman Schultz, Greenstein,  
20 Sobel, Kosmas, Peaden, Fuller, Wallace, Futch, Brown, Rayson,  
21 Levine, Heyman, Melvin, Ogles, Kilmer, Argenio, Goodlette,  
22 Trovillion, Crist, Andrews, Merchant, Feeney, Putnam, Hart,  
23 Brummer, C. Green, Bilirakis, Sorensen, Prieguez, Barreiro, J.  
24 Miller, Edwards, Ritchie, Ball and Sanderson  
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