

1 A bill to be entitled
2 An act relating to delivery of health care
3 services; creating a pharmaceutical expense
4 assistance program; providing eligibility;
5 providing program parameters; prescribing
6 duties of the Agency for Health Care
7 Administration and other entities; providing
8 for rules; requiring a report; prescribing
9 prerequisite that drug manufacturers must meet
10 in order for their drug products to be covered
11 under the program; establishing a prescription
12 discount program for Medicare recipients;
13 requiring pharmacy participation as a condition
14 for a pharmacy's participation in the
15 pharmaceutical expense assistance program;
16 providing individual eligibility; providing
17 appropriations; providing for conditional
18 repeal; providing an effective date.

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

21
22 Section 1. Pharmaceutical expense assistance
23 program.--

24 (1) INTENT.--It is the intent of the Legislature to
25 initiate a pharmaceutical expense assistance program for those
26 persons with very low incomes who are most in need. It is
27 further the intent of the Legislature to attempt to leverage
28 maximum pharmaceutical manufacturer participation in this
29 program.

30 (2) PROGRAM ESTABLISHED.--There is established a
31 pharmaceutical expense assistance program which is designed to

1 provide prescription drug coverage to a limited group of most
2 needy individuals.

3 (3) ELIGIBILITY.--Eligibility for the program is
4 limited to those individuals who qualify for limited
5 assistance under the Florida Medicaid program as a result of
6 being dually eligible for both Medicare and Medicaid, but
7 whose limited assistance or Medicare coverage does not include
8 any pharmacy benefit. Specifically eligible are the following
9 low-income senior citizens who:

10 (a) Are Florida residents age 65 and over;

11 (b) Have an income between 90 and 120 percent of the
12 federal poverty level;

13 (c) Are eligible for both Medicare and Medicaid;

14 (d) Are not enrolled in a Medicare health maintenance
15 organization that provides a pharmacy benefit; and

16 (e) Request to be enrolled in the program.

17 (4) PROGRAM PARAMETERS.--

18 (a) The program shall make available the same
19 formulary of prescription medications that is made available
20 to Medicaid recipients. Medications shall be provided in the
21 generic equivalent if a generic equivalent exists, except when
22 a brand name medication is available at a cost lower than its
23 generic equivalent or when a physician has determined that the
24 brand name medication is necessary to achieve the desired
25 therapeutic effect and the agency approves.

26 (b) Monthly benefit payments shall be limited to \$80
27 per program participant. Participants are required to make a
28 10-percent coinsurance payment for each prescription purchased
29 through this program.

30 (5) ADMINISTRATION.--The pharmaceutical expense
31 assistance program is to be administered by the Agency for

1 Health Care Administration, under the authority provided in s.
2 409.914(1), Florida Statutes, in conjunction with the
3 Department of Elderly Affairs and the Department of Health.

4 (a) The Agency for Health Care Administration and the
5 Department of Elderly Affairs shall develop a single-page
6 application for the pharmaceutical expense assistance program.

7 (b) The Agency for Health Care Administration shall,
8 by rule, establish for the pharmaceutical expense assistance
9 program eligibility requirements, limits on participation,
10 benefit limitations, a requirement for generic drug
11 substitution, and other program parameters comparable to those
12 of the Medicaid program.

13 (c) By January 1 of each year, the Agency for Health
14 Care Administration shall report to the Legislature on the
15 operation of the program. The report shall include information
16 on the number of individuals served, use rates, and
17 expenditures under the program. The report shall also address
18 the impact of the program on reducing unmet pharmaceutical
19 drug needs among the elderly and recommend programmatic
20 changes.

21 (6) NONENTITLEMENT.--The pharmaceutical expense
22 assistance program is not an entitlement.

23 (7) PHARMACEUTICAL MANUFACTURER PARTICIPATION.--In
24 order for a drug product to be covered under this program, the
25 product's manufacturer shall provide a rebate to the state
26 equal to an amount consistent with the Medicaid rebate of 15.1
27 percent of the average manufacturer price for innovator or
28 brand name products and noninnovator or generic products.

29 Section 2. Medicare prescription discount program.--

30 (1) As a condition of participation in the Florida
31 Medicaid Program or the pharmaceutical expense assistance

1 program, a pharmacy must agree to charge any individual who is
2 a Medicare beneficiary and who is a Florida resident showing a
3 Medicare card when they present a prescription a price no
4 greater than the cost of ingredients equal to the average
5 wholesale price minus 9 percent, and a dispensing fee of
6 \$4.50.

7 (2) In lieu of the provisions of subsection (1), and
8 as a condition of participation in the Florida Medicaid
9 Program or the pharmaceutical expense assistance program, a
10 pharmacy must agree to:

11 (a) Provide a private voluntary prescription discount
12 program to state residents who are Medicare beneficiaries; or

13 (b) Accept a private voluntary discount prescription
14 program from state residents who are Medicare beneficiaries.

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16 Discounts under this subsection must be at least as great as
17 discounts under subsection (1).

18 Section 3. For fiscal year 2000-2001, the sum of \$15
19 million is appropriated from the General Revenue Fund to the
20 Agency for Health Care Administration for the purpose of
21 implementing the pharmaceutical expense assistance program
22 effective January 1, 2001. Rebates collected under subsection
23 (7) of section 1 of this act shall be used to help finance the
24 program.

25 Section 4. For fiscal year 2000-2001, the sum of
26 \$250,000 is appropriated from the General Revenue Fund to the
27 Agency for Health Care Administration to administer the
28 pharmaceutical expense assistance program.

29 Section 5. The provisions of this act shall be
30 repealed upon the federal enactment of pharmaceutical benefits
31 through the Medicare program.

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Section 6. This act shall take effect July 1, 2000.