

FEB 18 1999

HUMAN RESOURCES

HOUSE FILE 328
BY OSTERHAUS

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing a pharmaceutical assistance and case
2 management by pharmacists program for the elderly, providing
3 for an appropriation, and providing a penalty.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 328

1 Section 1. NEW SECTION. 231.61 PHARMACEUTICAL ASSISTANCE
2 AND CASE MANAGEMENT BY PHARMACISTS PROGRAM ESTABLISHED.

3 1. For the purposes of this section, unless the context
4 otherwise requires:

5 a. "Eligible person" means a person, sixty-five years of
6 age or older, with an annual net income of not more than one
7 hundred fifty percent of the federal poverty level, as defined
8 by the most recent poverty income guidelines published by the
9 United States department of health and human services; or a
10 person, sixty-five years of age or older, who with the
11 person's spouse has an annual net income of not more than one
12 hundred fifty percent of the federal poverty level, as defined
13 by the most recent poverty income guidelines published by the
14 United States department of health and human services.

15 "Eligible person" does not include a person who is eligible
16 for financial assistance for the purchase of prescription
17 drugs under another local, state, or federal program to the
18 extent that the other program provides financial assistance
19 for the purchase of prescription drugs.

20 b. "Prescription drug" means a prescription drug as
21 defined in section 155A.3.

22 c. "Program" means the pharmaceutical assistance and case
23 management program by pharmacists established in this section.

24 d. "Reasonable cost" means a charge which is equal to the
25 average wholesale cost of the prescription drug and the
26 additional dispensing pharmacy's usual fee, not to exceed the
27 seventy-fifth percentile of usual and customary fees in this
28 state, as determined by the Iowa department of public health.

29 2. A pharmaceutical assistance and case management program
30 is created within the department to provide for subsidization
31 of the prescription drug costs of eligible persons and to
32 provide case management by pharmacists to eligible persons
33 throughout the state. The director shall appoint an advisory
34 committee to make recommendations to the commission in the
35 creation of the program and in adoption of rules to implement

1 the program. The Iowa pharmacy association shall assist the
2 commission in the creation and implementation of the program.

3 3. The commission shall adopt rules to implement this
4 section. The rules shall provide for all of the following:

5 a. A means to determine the eligibility of a person,
6 including proof of the person's actual and anticipated annual
7 net income, evidence of complete or partial payment for the
8 costs of prescription drugs from a provider other than the
9 program, and other provisions consistent with this section.

10 b. The program application form, which includes an
11 explanation of the penalties for violation of the section. An
12 initial application shall be accompanied by proof of the date
13 of birth of the person.

14 c. Issuance by the department of a participation card,
15 upon approval of an application. The card shall act as a form
16 of identification for a person to use in proving eligibility.
17 The card shall include a conspicuous notation of the penalties
18 for violation of this section. The annual fee for
19 participation in the program is eighty dollars.

20 d. A prescription copayment of twenty percent of the
21 reasonable cost of the prescription, which shall be collected
22 from the person participating in the program by the dispensing
23 pharmacy, not to exceed eight hundred dollars in prescription
24 costs for each calendar year. Thereafter, a copayment of
25 forty percent of the reasonable cost of prescriptions in
26 excess of eight hundred dollars for the remainder of any
27 calendar year shall be collected. The balance of the
28 reasonable costs shall be paid by the department to the
29 dispensing pharmacy after submission of a claim to the
30 department.

31 e. A provision that if the prescription drug is available
32 under a generic name, the eligible person may obtain the brand
33 name drug rather than the generic drug by paying the
34 difference in the costs of the brand name drug and generic
35 name drug. However, if the prescribing practitioner indicates

1 on the prescription that a substitution of a generic drug for
2 the brand name drug is prohibited, the eligible person is
3 subject only to payment of the copayment amount.

4 f. A reimbursement system which includes on-line point of
5 service claims transmission and adjudication, with utilization
6 review.

7 g. A provision to ensure choice of pharmaceutical services
8 by the eligible person.

9 h. A program of prospective and retrospective drug
10 utilization review to ensure the appropriate use of
11 prescription medication and to detect prescription drug
12 therapy problems.

13 i. A program of prescription drug case management by
14 pharmacists to ensure appropriate use and understanding of
15 prescription medications and drug interaction potential with
16 prescription and nonprescription medications.

17 4. A person who supplies false information to establish
18 eligibility for the program or to obtain reimbursement is
19 guilty of a serious misdemeanor.

20 Sec. 2. APPROPRIATION.

21 1. Notwithstanding section 99D.17 for the fiscal year
22 beginning July 1, 1999, and ending June 30, 2000, of the tax
23 revenues received pursuant to section 99D.15, subsections 1,
24 3, and 4, an amount equal to three-tenths of one percent of
25 the gross sum wagered by the pari-mutuel method shall be
26 deposited in the gambling treatment fund pursuant to section
27 99E.10, subsection 1, paragraph "a", for use by the
28 pharmaceutical assistance and case management by pharmacists
29 program.

30 2. Notwithstanding any provision to the contrary, there is
31 appropriated from the gambling treatment fund established
32 pursuant to section 99E.10, subsection 1, paragraph "a", for
33 the fiscal year beginning July 1, 1999, and ending June 30,
34 2000, receipts in excess of \$1,900,000 to the department of
35 elder affairs for the pharmaceutical assistance and case

1 management by pharmacists program.

2 3. If moneys appropriated under this section are not
3 sufficient to fund the pharmaceutical assistance and case
4 management by pharmacists program, the benefits under the
5 program shall be reduced proportionately.

6 EXPLANATION

7 This bill creates a pharmaceutical assistance and case
8 management by pharmacists program in the department of elder
9 affairs to provide for subsidization of prescription drug
10 costs of eligible persons 65 years of age and older with
11 limited incomes, as established in the bill and to provide
12 case management by pharmacists to eligible persons. The Iowa
13 department of public health is required to develop a
14 reasonable cost, which includes a dispensing fee, for
15 prescription drugs. The department of elder affairs is
16 required to adopt rules regarding copayments, reimbursement
17 policies for generic and brand name drugs, a reimbursement
18 system for dispensing pharmacies, and a form of participation
19 card identification for eligible persons. A person who
20 supplies false information in order to become eligible for the
21 program or to obtain reimbursement is guilty of a serious
22 misdemeanor.

23 The bill also provides for an appropriation to the
24 department of elder affairs from pari-mutuel tax revenues and
25 the gambling treatment fund to finance the program.

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