

ASSEMBLY, No. 128

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman JONES

1 AN ACT concerning rebates from pharmaceutical manufacturers and  
2 amending P.L.1992, c.83.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. Section 2 of P.L.1992, c.83 (C.30:4D-35.2) is amended to read  
8 as follows:

9 2. a. The "Pharmaceutical Assistance to the Aged and Disabled"  
10 program established pursuant to P.L.1975, c.194 (C.30:4D-20 et seq.)  
11 shall limit the coverage of pharmaceutical products to manufacturers  
12 who agree to provide rebates to the State.

13 b. Except for those manufacturers whose pharmaceutical products  
14 are not covered under the program pursuant to this section, the  
15 program shall not restrict access to manufacturers' pharmaceutical  
16 products by means of prior authorization requirements or any other  
17 restricting mechanism.

18 c. The Commissioner of Human Services shall contract with  
19 manufacturers of pharmaceutical products to provide rebates for  
20 pharmaceutical products covered under the "Pharmaceutical  
21 Assistance to the Aged and Disabled" program on the same basis as is  
22 required pursuant to 42 U.S.C.§1396r-8, except that 42  
23 U.S.C.§1396r-8(c)(2) shall not apply to the provisions of this act.

24 d. The rebate agreements entered into pursuant to this act shall  
25 take effect on July 1, 1992 and shall be retroactive to that date if  
26 entered into after July 1, 1992.

27 (1) A manufacturer of pharmaceutical products who is participating  
28 in the "Pharmaceutical Assistance to the Aged and Disabled" program  
29 on the effective date of P.L.1992, c.83 (C.30:4D-35.1 et seq.) or  
30 begins participating during the period between the effective date of  
31 P.L.1992, c.83 and the date that the Commissioner of Human Services  
32 issues the initial rebate agreement for signature, shall enter into a

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 rebate agreement with the commissioner within 30 days after the date  
2 the commissioner issues the initial rebate agreement for signature to  
3 continue its participation in the program pursuant to the provisions of  
4 P.L.1992, c.83. A participating manufacturer who does not enter into  
5 a rebate agreement shall not be eligible to participate in the  
6 "Pharmaceutical Assistance to the Aged and Disabled" program after  
7 the 60th day after the date the commissioner issues the initial rebate  
8 agreement for signature.

9 (2) Notwithstanding the provisions of paragraph (1) of this  
10 subsection to the contrary, if a manufacturer of pharmaceutical  
11 products who was participating in the "Pharmaceutical Assistance to  
12 the Aged and Disabled" program on the effective date of P.L.1992,  
13 c.83 or began participating during the period between the effective  
14 date of P.L.1992, c.83 and the date the commissioner issues the initial  
15 rebate agreement for signature, and enters into a rebate agreement  
16 with the commissioner after the 30th day after the commissioner issues  
17 the initial rebate agreement for signature and prior to July 1, [1994]  
18 1995, the manufacturer shall be required to pay the rebate for any  
19 pharmaceutical products purchased by the program on or after July 1,  
20 1992, or the date the manufacturer began participating in the program,  
21 whichever date is later, through the 60-day period after the date the  
22 commissioner issued the initial rebate agreement for signature.  
23 Coverage of the manufacturer's pharmaceutical products by the  
24 program shall resume 30 days after the manufacturer enters into a  
25 rebate agreement.

26 (3) A manufacturer of pharmaceutical products who was not  
27 participating in the "Pharmaceutical Assistance to the Aged and  
28 Disabled" program on the date the commissioner issued the initial  
29 rebate agreement for signature to manufacturers of pharmaceutical  
30 products who are participating in the program, may enter into a rebate  
31 agreement with the commissioner and become a participating  
32 manufacturer. The rebate agreement shall take effect on the 30th day  
33 after the manufacturer enters into the rebate agreement.

34 e. A manufacturer of pharmaceutical products which participates  
35 in the "Pharmaceutical Assistance to the Aged and Disabled" program  
36 pursuant to P.L.1992, c.83 shall provide to the Commissioner of  
37 Human Services such information as he may request to carry out the  
38 purposes of P.L.1992, c.83.

39 f. Any rebate agreement entered into between the Department of  
40 Human Services and a manufacturer of pharmaceutical products prior  
41 to the effective date of P.L.1992, c.83 shall remain in effect and be  
42 considered a rebate agreement in compliance with P.L.1992, c.83 until  
43 the date of expiration of the agreement or March 31, [1993] 1995,  
44 whichever date occurs sooner, or until either party terminates the  
45 agreement.

46 (cf: P.L.1993, c.97, s.1)

