

ASSEMBLY, No. 1921

STATE OF NEW JERSEY

INTRODUCED MAY 6, 1996

By Assemblywomen HECK, ALLEN and Assemblyman DeSopo

1 AN ACT concerning the dispensing of prescription drugs in the
2 "Pharmaceutical Assistance to the Aged and Disabled" program and
3 amending P.L.1975, c.194.

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

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8 1. Section 3 of P.L.1975, c.194 (C.30:4D-22) is amended to read
9 as follows:

10 3. The program of "Pharmaceutical Assistance to the Aged and
11 Disabled" shall consist of payments to pharmacies for the reasonable
12 cost of prescription drugs of eligible persons which exceed a \$2.00
13 copayment. Said copayment shall be paid in full by each eligible
14 person to the pharmacist at the time of each purchase of prescription
15 drugs, and shall not be waived, discounted or rebated in whole or in
16 part.

17 The commissioner shall not limit or restrict an eligible person's
18 ability to select a participating pharmacy.

19 The commissioner may restrict the day supply of initial
20 prescriptions to less than a 30 day supply in order to reduce waste and
21 reduce inappropriate drug utilization. Subsequently, the commissioner
22 may limit prescription drugs used in the treatment of acute care
23 medical conditions to an amount not to exceed a 30 day supply. The
24 commissioner shall not implement a voluntary or mandatory mail order
25 system for the purchase of prescription drugs. The commissioner may
26 allow up to a 60 day supply or 100 unit doses, whichever is greater,
27 of prescription drugs used in the treatment of chronic maintenance
28 conditions. The commissioner shall ensure that participating
29 pharmacies are able to provide eligible persons with patient
30 consultation services and monitor for possible adverse drug
31 interactions prior to the dispensing of a prescription drug.

32 Whenever any interchangeable drug product contained in the latest
33 list approved and published by the Drug Utilization Review Council is
34 available for the prescription written, an eligible person shall either:

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 (1) Purchase an interchangeable drug product which is equal to or
2 less than the maximum allowable cost, at the \$2.00 copayment; or

3 (2) Purchase the prescribed drug product which is higher in cost
4 than the maximum allowable cost and pay the difference between the
5 two, in addition to the \$2.00 copayment, unless the prescriber
6 specifically indicates that substitution is not permissible, in which case
7 an eligible person may purchase the prescribed drug product at the
8 \$2.00 copayment.

9 For purposes of this act:

10 a. "Prescription drugs" means all legend drugs, including any
11 interchangeable drug products contained in the latest list approved and
12 published by the Drug Utilization Review Council in conformance with
13 the provisions of the "Prescription Drug Price and Quality
14 Stabilization Act" (P.L.1977, c.240; C.24:6E-1 et seq.), diabetic
15 testing materials, and insulin, insulin syringes and insulin needles;

16 b. "Reasonable cost" means the maximum allowable cost of
17 prescription drugs and a dispensing fee, as determined by the
18 commissioner. In the case of diabetic testing materials, the maximum
19 allowable cost is the manufacturer's suggested retail selling price or
20 the pharmacy's usual over-the-counter price charged to other persons
21 in the community, whichever is less;

22 c. "Resident" means one legally domiciled within the State for a
23 period of 30 days immediately preceding the date of application for
24 inclusion in the program. Mere seasonal or temporary residence
25 within the State, of whatever duration, does not constitute domicile.
26 Absence from this State for a period of 12 months is prima facie
27 evidence of abandonment of domicile. The burden of establishing legal
28 domicile within the State is upon the applicant;

29 d. "Diabetic testing materials" means blood glucose reagent strips
30 which can be visually read, urine monitoring strips, tapes and tablets
31 and bloodletting devices and lancets, but shall not include
32 electronically monitored devices.

33 (cf: P.L.1985, c.291, s.2)

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35 2. This act shall take effect immediately.

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STATEMENT

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40 This bill would allow eligible "Pharmaceutical Assistance to the
41 Aged and Disabled" (PAAD) recipients freedom of choice in selecting
42 a pharmacy. Thus, the legislation would, in effect, prohibit the
43 Commissioner of Human Services from contracting with a pharmacy
44 benefits manager to administer the PAAD program and limit the
45 number of pharmacies that participate in the program. Furthermore,
46 the legislation would prohibit implementation of a mail order drug

1 purchasing system, either voluntary or mandatory.

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6 Allows PAAD recipients freedom of choice in selecting a pharmacy

7 and prohibits the imposition of a mail order system.