

ASSEMBLY, No. 2126

STATE OF NEW JERSEY

INTRODUCED JUNE 3, 1996

By Assemblyman COLLINS

1 AN ACT concerning pharmaceutical manufacturer rebates and
2 supplementing P.L.1947, c.156 (C.44:8-107 et seq.).

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

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7 1. This act shall be known and may be cited as the "General Public
8 Assistance Pharmaceutical Rebate Act."

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10 2. a. The general public assistance program established pursuant
11 to P.L.1947, c.156 (C.44:8-107 et seq.) shall limit the coverage of
12 pharmaceutical products to manufacturers who agree to provide
13 rebates to the State pursuant to this act.

14 b. The Commissioner of Human Services shall contract with
15 manufacturers of pharmaceutical products to provide rebates for
16 pharmaceutical products covered under the program on the same basis
17 as is required under the "Pharmaceutical Assistance to the Aged and
18 Disabled" program established pursuant to P.L.1975, c.194 (C.30:4D-
19 20 et seq.).

20 c. The rebate agreements entered into pursuant to this act between
21 the Commissioner of Human Services and manufacturers participating
22 in the program on the effective date of this act shall take effect on July
23 1, 1996 and shall be retroactive to that date if entered into after July
24 1, 1996.

25 (1) A manufacturer of pharmaceutical products who is participating
26 in the program on the effective date of this act shall enter into a rebate
27 agreement with the commissioner within 30 days after the date the
28 commissioner issues the rebate agreement for signature to continue its
29 participation in the program. A participating manufacturer who does
30 not enter into a rebate agreement shall not be eligible to participate in
31 the program after the 60th day following the date the commissioner
32 issues the rebate agreement for signature.

33 (2) Notwithstanding the provisions of paragraph (1) of this
34 subsection to the contrary, if a manufacturer of pharmaceutical
35 products who was participating in the program on the effective date
36 of this act or began participating during the period between the
37 effective date of this act and the date the commissioner issues the

1 rebate agreement for signature enters into a rebate agreement with the
2 commissioner after the 30th day after the commissioner issues a rebate
3 agreement for signature, the manufacturer shall be required to pay the
4 rebate for any pharmaceutical products purchased by the program on
5 or after July 1, 1996 or the date the manufacturer began participating
6 in the program, whichever date is later.

7 (3) A manufacturer of pharmaceutical products who was not
8 participating in the program on the date the commissioner issued the
9 rebate agreement for signature may enter into a rebate agreement with
10 the commissioner and become a participating manufacturer. The
11 rebate agreement shall take effect on the 30th day after the
12 manufacturer enters into the rebate agreement.

13 d. A manufacturer of pharmaceutical products who participates in
14 the program pursuant to this act shall provide to the Commissioner of
15 Human Services such information as the commissioner may request to
16 carry out the purposes of this act.

17 e. Any rebate agreement entered into between the Department of
18 Human Services and a manufacturer of pharmaceutical products prior
19 to the effective date of this act shall remain in effect and be considered
20 a rebate agreement in compliance with this act until the date of
21 expiration of the agreement or December 31, 1996, whichever date
22 occurs sooner, or until either party terminates the agreement.

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24 3. This act shall take effect July 1, 1996.

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STATEMENT

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29 This bill, the "General Public Assistance Pharmaceutical Rebate
30 Act," requires manufacturers of pharmaceutical products, as a
31 condition of participating in the general public assistance program
32 established pursuant to P.L.1947, c.156 (C.44:8-107 et seq.), to enter
33 into an agreement with the Commissioner of Human Services to
34 provide a rebate to the State based on the amount of that
35 manufacturer's pharmaceutical products purchased by the State
36 program. The bill takes effect on July 1, 1996, and provides that the
37 pharmaceutical rebate program will be administered on the same basis
38 as the rebate program in the "Pharmaceutical Assistance to the Aged
39 and Disabled" program.

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44 Provides for pharmaceutical manufacturer rebates in the general public
45 assistance program.