

ARTICLE 9 SUBSTITUTE A

RELATING TO PHARMACEUTICAL ASSISTANCE TO THE ELDERLY

SECTION 1. Sections 42-66.2-3 and 42-66.2-6 of the General Laws in Chapter 42-66.2 entitled "Pharmaceutical Assistance to the Elderly Act" are hereby amended to read as follows:

42-66.2-3. Definitions. – As used in this chapter, unless the context requires otherwise:

(1) "Consumer" means any full-time resident of the state who fulfills the eligibility requirements set forth in section 42-66.2-5. Residence for purposes of this chapter shall be in accordance with the definitions and evidence standards set forth in section 17-1-3.1.

(2) "Contractor" means a third party or private vendor capable of administering a program of reimbursement for prescription drugs, and drug program eligibility administrative support as required by the director, the vendor to be determined through a competitive bid process in which the director awards a three (3) year contract for services.

(3) "Department" means the department of elderly affairs.

(4) "Director" means the director of the department of elderly affairs.

(5) (i) "Eligible drugs" means insulin, [injectable drugs for multiple sclerosis](#), and shall mean noninjectable drugs which require a physician's prescription according to federal law and which are contained in the following American Hospital Formulary Service pharmacologic-therapeutic classifications categories that have not been determined by the federal "Drug Efficacy and Safety Implementation (DESI) Commission" to lack substantial evidence of effectiveness. Eligible drugs are limited to the following classification categories: cardiac drugs, hypotensive drugs, diuretics, anti-diabetic agents, insulin, disposable insulin syringes, vasodilators (cardiac indications only), anticoagulants, hemorreolgic agents, glaucoma drugs, drugs for the treatment of Parkinson's disease, antilipemic drugs and oral antineoplastic drugs and drugs for the treatment of asthma and other chronic respiratory diseases and prescription vitamin and mineral supplements for renal patients, and drugs approved for the treatment of alzheimer's disease, drugs used for the treatment of depression, those drugs approved for the treatment of urinary incontinence, anti infectives, drugs used for the treatment of arthritis, drugs approved for the treatment of osteoporosis, and neuraminidase inhibiting drugs indicated for the treatment of influenza A and B.

(ii) "Additional drugs" means noninjectable drugs which require a physician's

1 prescription according to federal law and which are contained in the American Hospital
2 Formulary Service pharmacologic-therapeutic classifications categories that have not been
3 determined by the federal "Drug Efficacy and Safety Implementation (DESI) Commission" to
4 lack substantial evidence of effectiveness, which are not included in the definition of drugs as
5 defined in this subdivision. However, this shall not include prescription drugs used for cosmetic
6 purposes.

7 (6) "Income" for the purposes of this chapter means the sum of federal adjusted gross
8 income as defined in the Internal Revenue Code of the United States [26 U.S.C. section 1 et seq.]
9 and all nontaxable income including but not limited to, the amount of capital gains excluded from
10 adjusted gross income, alimony, support money, nontaxable strike benefits, cash public assistance
11 and relief (not including relief granted under this chapter), the gross amount of any pension or
12 annuity (including Railroad Retirement Act benefits [45 U.S.C. section 231 et seq.] all payments
13 received under the federal Social Security Act [42 U.S.C. section 301 et seq.] state unemployment
14 insurance laws, and veterans' disability pensions), nontaxable interest received from the federal
15 government or any of its instrumentalities, workers' compensation, and the gross amount of "loss
16 of time" insurance. It does not include gifts from nongovernmental sources, or surplus foods or
17 other relief in kind supplied by a public or private agency.

18 (7) "Pharmaceutical manufacturer" means any entity holding legal title to or possession
19 of a national drug code number issued by the federal food and drug administration.

20 (8) "Pharmacy" means a pharmacy licensed by the state of Rhode Island.

21 (9) "Pilot program contractor" means Blue Cross and Blue Shield of Rhode Island.

22 **42-66.2-6. Responsibilities of department of elderly affairs.** -- (a) Determination of
23 eligibility. - The department shall adopt regulations relating to the determination of eligibility of
24 prospective consumers and the determination and elimination of program abuse. The department
25 has the power to declare ineligible any consumer who abuses or misuses the established
26 prescription plan. The department has the power to investigate cases of suspected provider or
27 consumer fraud.

28 (b) Rebates for expenses prohibited. - (1) A system of rebates or reimbursements to the
29 consumer for pharmaceutical expenses shall be prohibited.

30 (2) Subdivision (1) shall not be interpreted to exclude other consumers not participating
31 in the pharmaceutical assistance to the elderly program from receiving financial offers or
32 redeemable coupons that are available to only those who have paid for the service or product
33 through direct cash payment, insurance premiums, or cost sharing with an employer.

34 (c) Program criteria. - The program includes the following criteria:

- 1 (1) Collection of the co-payment by pharmacies is mandatory;
- 2 (2) Senior citizens participating in the program are not required to maintain records of
3 each transaction but shall sign a receipt for eligible and additional drugs;
- 4 (3) (i) A system of rebates or reimbursements to the consumer for pharmaceutical
5 expenses is prohibited;
- 6 (ii) This subdivision shall not be interpreted to exclude other consumers from receiving
7 financial offers or redeemable coupons that are available to only those who have paid for the
8 service or product through direct cash payment, insurance premiums, or cost sharing with an
9 employer.
- 10 (4) Prescription benefits for any single prescription may be dispensed in the amounts
11 authorized by the physician, and agreed to by the consumer, up to a maximum of a one hundred
12 (100) day supply or two hundred (200) doses, whichever is less and/or a one hundred (100) day
13 supply or one quart of liquid, whichever is less; provided, however, that disposable insulin
14 syringes are dispensed in a quantity of one hundred (100);
- 15 (5) Experimental drugs are excluded from the program;
- 16 (6) A system of mail order delivery for prescriptions is allowed under this program; and
- 17 (7) Eligible and additional drugs must be dispensed within one year of the original
18 prescription order.
- 19 (d) The director shall issue an eligibility card containing a program ID number and the
20 time period for which the card is valid.
- 21 (e) The director shall institute and conduct an educational outreach program and shall
22 provide a mechanism, within the department, to handle all public inquiries concerning the
23 program.
- 24 (f) The director shall establish a process, in accordance with the Administrative
25 Procedures Act, chapter 35 of this title, to provide an appeals hearing on the determination of
26 eligibility.
- 27 (g) The director shall forward to the contractor a list of all eligible consumers.
- 28 (h) Expenditures for multiple sclerosis drugs shall not exceed thirty thousand dollars
29 (\$30,000.00).

30 SECTION 2. This article shall take effect on July 1, 2006.

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