

Senate Bill 166

By: Senators Tate of the 38th and Thomas of the 10th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 4 of Title 49 of the Official Code of Georgia Annotated, relating to public
2 assistance, so as to create the Georgia Pharmacy Assistance Program for Low-income,
3 Elderly Citizens; to provide for a short title; to provide for definitions; to provide for the
4 creation and operation of a program of pharmaceutical assistance; to provide for
5 qualifications and payments; to provide for administration; to provide for rules and
6 regulations; to provide for the applicability of certain laws; to repeal conflicting laws; and
7 for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Chapter 4 of Title 49 of the Official Code of Georgia Annotated, relating to public assistance,
11 is amended by adding at the end thereof a new Article 10 to read as follows:

12 "ARTICLE 10

13 49-4-210.

14 This article shall be known and may be cited as the 'Georgia Pharmacy Assistance Program
15 for Low-income, Elderly Citizens Act.'

16 49-4-211.

17 As used in this article, the term:

18 (1) 'Board' means the Board of Community Health.

19 (2) 'Commissioner' means the commissioner of community health.

20 (3) 'Department' means the Department of Community Health.

21 (4) 'Eligible recipient' means a person who:

22 (A) Is 65 years of age or older;

1 (B) Is a resident of this state and has been a resident for not less than six months
2 immediately prior to applying for assistance under the program established by this
3 article;

4 (C) Has a federal adjusted gross income, as defined in the Internal Revenue Code of
5 1986, as amended, from all sources not exceeding \$14,000.00 in the case of a single
6 individual or \$30,500.00 in the case of a married couple; and

7 (D) Meets eligibility criteria established by the board pursuant to this article and who
8 is not otherwise disqualified for benefits under this program.

9 (5) 'Prescription drug' means any drug for which a prescription by a licensed physician
10 is necessary for dispensing under the laws of this state, but such term shall not include
11 products for cosmetic purposes as defined in regulations of the board, diet pills, smoking
12 cessation gums or patches, contraceptives, multivitamin combinations, or cough
13 medications.

14 (6) 'Program' means the Georgia Pharmacy Assistance Program for Low-income, Elderly
15 Citizens established by this article.

16 (7) 'Reasonable cost' means the cost of the prescription drug determined in accordance
17 with the formula adopted by the Division of Medical Assistance of the Department of
18 Community Health for medical assistance purposes plus a dispensing fee equal to the
19 dispensing fee determined by the Division of Medical Assistance of the Department of
20 Community Health for medical assistance purposes.

21 49-4-212.

22 (a) A pharmaceutical assistance program for qualified elderly citizens of Georgia is
23 established within the Department of Community Health. The program shall be
24 administered by the department. The program shall consist of payments by the department
25 to pharmacies for the reasonable cost of prescription drugs dispensed to eligible recipients
26 minus a copayment charge of \$10.00 for each prescription filled. The copayment charge
27 shall be collected by the pharmacy at the time of each purchase of a prescription drug. No
28 pharmacy shall waive, discount, or rebate in whole or in part any copayment charge.
29 Payments pursuant to this program shall be made from funds appropriated to the
30 department for the operation of the program or otherwise available to the department for
31 such purpose.

32 (b) Payment by the department to a pharmacy under the program shall be based on the
33 price paid directly by a pharmacy to a pharmaceutical manufacturer for prescription drugs
34 dispensed under the program minus the copayment charge plus a dispensing fee in an
35 amount established by the board if the direct price paid by the pharmacy is lower than the
36 reasonable cost of such drugs.

1 (c) Reimbursement to a pharmacy for prescription drugs dispensed under the program shall
2 be based upon actual package size costs of drugs purchased by the pharmacy in units larger
3 than or smaller than 100.

4 (d) The board, by rule or regulation, shall establish an application form whereby a
5 pharmaceutical manufacturer may apply to participate in the program. Upon receipt of a
6 completed application, the department shall issue a certificate of participation to the
7 manufacturer. Participation by a pharmaceutical manufacturer shall require that the
8 department shall receive a rebate from the pharmaceutical manufacturer equal to the rebate
9 supplied by the manufacturer under section 1927 of Title XIX of the federal Social Security
10 Act for every prescription drug dispensed under the program. A participating
11 pharmaceutical manufacturer shall make quarterly rebate payments to the department equal
12 to the rebate supplied by the manufacturer under section 1927 of Title XIX of the federal
13 Social Security Act for the total number of dosage units of each form and strength of a
14 prescription drug which the department reports as reimbursed to providers of prescription
15 drugs, provided such payments shall not be due until 30 days following the manufacturer's
16 receipt of utilization data from the department including the number of dosage units
17 reimbursed to providers of prescription drugs during the quarter for which payment is due.

18 (e) All prescription drugs of a pharmaceutical manufacturer which participates in the
19 program pursuant to subsection (d) of this Code section shall be immediately available and
20 the cost of such drugs shall be reimbursed and not subject to any restrictions or prior
21 authorization requirements. Any prescription drug of a manufacturer that does not
22 participate in the program shall not be reimbursable unless the department determines that
23 the prescription drug is essential to program participants.

24 (f) The board is authorized to establish by rules or regulations the maximum quantities of
25 prescription drugs to be dispensed.

26 49-4-213.

27 The board is authorized to adopt rules and regulations necessary or desirable to carry out
28 the program established by this article. Such rules and regulations shall be adopted and all
29 proceedings conducted pursuant to this article shall be subject to Chapter 13 of Title 50,
30 the 'Georgia Administrative Procedure Act.'

31 SECTION 2.

32 All laws and parts of laws in conflict with this Act are repealed.