

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 745
Committee Substitute Favorable 5/20/93

Short Title: Prescription Drug Program.

(Public)

Sponsors:

Referred to:

April 6, 1993

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE DEPARTMENT OF ENVIRONMENT, HEALTH,
2 AND NATURAL RESOURCES TO ESTABLISH AND IMPLEMENT A PILOT
3 PROGRAM IN SELECTED COUNTIES TO ASSIST LOW-INCOME
4 INDIVIDUALS TO OBTAIN PRESCRIPTION DRUGS AT REDUCED COST.
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6 The General Assembly of North Carolina enacts:

7 Section 1. (a) Short title. This act shall be known as the Prescription Drug
8 Assistance Pilot Program.

9 (b) Purpose. The General Assembly recognizes that many of North Carolina's
10 medically needy citizens are unable to afford the cost of prescription drugs for treatment
11 of certain illnesses. The General Assembly further recognizes that cooperative efforts
12 between State and local government agencies and the private sector are often successful
13 in providing important services to local communities, which services would not
14 otherwise be available because of limited government resources. The purpose of this
15 act is to authorize the Department of Environment, Health, and Natural Resources to
16 facilitate local public and private sector cooperative efforts to identify and assist
17 medically needy individuals in obtaining certain prescription drugs at reduced cost.
18 This effort will be initially implemented as a pilot program consisting of two project
19 sites each of which will serve five selected counties that apply for assistance from the
20 Program.

1 Sec. 2. Prescription Drug Assistance Pilot Program. (a) There is established in the
2 Department of Environment, Health, and Natural Resources, Division of Adult Health, a
3 Prescription Drug Assistance Pilot Program. The purpose of the pilot program is to
4 assist counties that apply and are selected for funding to identify and secure the
5 commitment of private sector resources or services and the cooperation of State and
6 local agencies that provide health and social services, to enable eligible individuals to
7 purchase prescription drugs at reduced cost. The cost for prescription drugs covered by
8 the Prescription Drug Assistance Pilot Program shall be established by the Commission
9 for Health Services, provided that such cost shall not exceed the maximum charges for
10 prescription drugs reimbursable under the Medicaid program.

11 (b) In administering the Prescription Drug Assistance Pilot Program, the
12 Department of Environment, Health, and Natural Resources, Division of Adult Health,
13 shall:

- 14 (1) Provide information to counties regarding the availability of funds
15 from the Prescription Drug Assistance Pilot Program;
- 16 (2) Assist counties in applying for Program funds, and develop criteria for
17 evaluating applications and potential project sites;
- 18 (3) According to criteria established by the Commission for Health
19 Services, establish two project sites for initial Program
20 implementation; each project site shall serve five counties that have
21 applied for assistance from the Program;
- 22 (4) Identify and study issues relating to the medication needs of medically
23 needy persons throughout the State;
- 24 (5) Promote and coordinate voluntary efforts to assist eligible individuals
25 in obtaining prescription drugs available under the Program at reduced
26 cost to the individual or, if resources are available, at no cost to the
27 individual;
- 28 (6) Provide materials or other outreach efforts that inform potentially
29 eligible persons of the Program's existence and how they may obtain
30 additional information about the Program; and
- 31 (7) Collect, analyze, and report data to assist the Commission for Health
32 Services in evaluating the implementation and effectiveness of the
33 Prescription Drug Assistance Pilot Program.

34 (c) In addition to the responsibilities described in subsection (b) of this
35 section, the Department may:

- 36 (1) Solicit funds, goods, or services to be designated and administered for
37 the benefit of individuals eligible for assistance under the Program;
38 and
- 39 (2) Engage in any other activities or efforts determined by the
40 Commission for Health Services to be necessary and appropriate to
41 implement the Program.

42 (d) Pursuant to its responsibilities under this act and subject to funds
43 available, the Department of Environment, Health, and Natural Resources, Division of
44 Adult Health, may provide medications, services, or other related benefits directly to

1 individuals eligible for Program services. Further pursuant to its responsibilities under
2 this act, the Department may enter into informal agreements or written contracts with
3 public or private entities for the purposes of obtaining or providing prescription drugs
4 available under the Program for eligible individuals; provided, however, that any
5 agreement or contract that contains a financial commitment or otherwise imposes a
6 financial obligation on the State shall be in writing and shall not be binding upon the
7 State unless the agreement or contract has the written approval of the Secretary of
8 Environment, Health, and Natural Resources.

9 (e) Assistance in obtaining prescription drugs at reduced cost under the
10 Prescription Drug Assistance Pilot Program shall be granted to any person who lives
11 within a project area and who:

12 (1) Has insufficient income to pay for prescribed medication of the kind
13 available under the Prescription Drug Assistance Pilot Program,
14 provided that no person whose income exceeds one hundred fifty
15 percent (150%) of the poverty level shall be eligible for assistance
16 under the Program; and

17 (2) Is not receiving assistance that pays the cost of prescribed medication
18 of the kind covered by the Prescription Drug Assistance Pilot Program,
19 under the program of medical assistance established under G.S. 108A-
20 54.

21 (f) Assistance received by an individual under the Prescription Drug
22 Assistance Pilot Program shall not be considered in determining the amount of
23 assistance to be paid to the individual under Chapters 108A and 111 of the General
24 Statutes, except where such assistance is required to be considered by federal law or
25 regulations.

26 (g) An application processing fee not to exceed five dollars (\$5.00) per initial
27 application and each renewal thereafter may be collected from each individual applying
28 for assistance under the Prescription Drug Assistance Pilot Program. Individuals
29 deemed eligible for assistance shall be issued a card identifying the individual as
30 eligible for assistance. Identification cards shall be valid for a period not exceeding two
31 years and may be renewed upon application by the individual and determination that the
32 individual is eligible for assistance.

33 Sec. 3. The Commission for Health Services shall adopt rules necessary to
34 implement this act.

35 Sec. 4. There is appropriated from the General Fund to the Department of
36 Environment, Health, and Natural Resources the sum of fifty thousand dollars (\$50,000)
37 for the 1993-94 fiscal year and the sum of fifty thousand dollars (\$50,000) for the 1994-
38 95 fiscal year to be used for administrative costs to implement the Prescription Drug
39 Assistance Pilot Program.

40 Sec. 5. Sections 1 and 3 of this act are effective upon ratification. Section 4
41 of this act becomes effective July 1, 1993. Section 2 of this act becomes effective
42 October 1, 1993.