

Introduced: 2/6/80
Referred: Health, Education &
Social Services and Finance

1 IN THE SENATE

BY FERGUSON

2 SENATE BILL NO. 393

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a state program to assist resi-
7 dents who are 65 years of age or over to purchase
8 prescription drugs; and providing for an effective
9 date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. AS 47 is amended by adding a new chapter to read:

12 CHAPTER 26. PHARMACEUTICAL ASSISTANCE.

13 Sec. 47.26.010. PHARMACEUTICAL ASSISTANCE PROGRAM. There is
14 established in the Department of Health and Social Services the pharma-
15 ceutical assistance program.

16 Sec. 47.26.020. SERVICES TO BE PROVIDED. (a) Unless otherwise
17 prohibited by (b) of this section, the department shall pay to pharma-
18 cies and pharmacists the cost of prescription drugs purchased by a
19 resident of the state 65 years of age or over.

20 (b) Under this section the department may not pay

21 (1) any portion of the cost of a prescription drug paid by
22 another plan of medical assistance or insurance;

23 (2) any portion of the cost of a prescription drug purchased
24 if substitution of a drug product with the same generic name is autho-
25 rized by the physician under AS 08.80.295 and the purchaser refuses to
26 authorize substitution; and

27 (3) that portion of the cost of a prescription drug which
28 exceeds the maximum allowable cost for the drug product under AS 47.26.-
29 030(a)(2), unless the purchaser pays the difference between the maximum

1 allowable cost and the purchase price.

2 Sec. 47.26.030. PHARMACEUTICAL ASSISTANCE PROGRAM ADMINISTRATION.

3 (a) The commissioner shall

4 (1) by regulation, establish a system of payments and reim-
5 bursements to pharmacies and pharmacists;

6 (2) prepare and maintain a list of maximum allowable costs
7 for drug products, which shall be, in the discretion of the commis-
8 sioner, the usual, customary and reasonable cost of these drugs at
9 retail; and

10 (3) issue identification cards, on an annual basis, to resi-
11 dents who are 65 years of age or over.

12 (b) The commissioner may provide by contract for the services
13 necessary to administer the pharmaceutical assistance program.

14 Sec. 47.26.035. OBTAINING PHARMACEUTICAL ASSISTANCE BY FRAUD. (a)

15 A person commits the crime of obtaining pharmaceutical assistance by
16 fraud if he by a false statement, representation, or impersonation, or
17 other fraudulent device, obtains or attempts to obtain or aids or abets
18 another to obtain

19 (1) assistance to which he is not entitled; or

20 (2) greater assistance than he is entitled to obtain.

21 (b) Obtaining pharmaceutical assistance by fraud is a class B
22 misdemeanor.

23 Sec. 47.26.040. RECOVERY AND DISPOSITION OF IMPROPER PAYMENTS.

24 The state has a claim against a person who receives an improper payment
25 under this chapter. The claim may be enforced by civil action in the
26 name of the state by the attorney general to recover the amount paid to
27 the person, with interest, together with the necessary costs of the
28 action.

29 Sec. 47.26.050. DEFINITIONS. In this chapter

1 (1) "commissioner means the commissioner of the Department of
2 Health and Social Services;

3 (2) "department" means the Department of Health and Social
4 Services.

5 * Sec. 2. REPORT TO LEGISLATURE. The commissioner of health and social
6 services shall submit a report on the pharmaceutical assistance program to
7 the legislature within 18 months of the effective date of this Act. The
8 report shall examine and make recommendations with respect to

9 (1) a cost analysis of alternative methods for administering the
10 program and reimbursing participating pharmacies and pharmacists;

11 (2) eligibility of the program for federal assistance under Medi-
12 care;

13 (3) the effects of exclusion from eligibility of those persons
14 whose prescription drug costs are covered in part by any other plan of as-
15 sistance or insurance; and

16 (4) other factors bearing on improvement of the program.

17 * Sec. 3. This Act takes effect October 1, 1980.
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