

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1991**

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HOUSE BILL 1606

Short Title: Prescription Drug Assistance Act.

(Public)

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Sponsors: Representatives Green; and H. Hunter.

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Referred to: Rules, Appointments and Calendar.

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June 5, 1992

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE DEPARTMENT OF ENVIRONMENT, HEALTH,  
2 AND NATURAL RESOURCES TO ESTABLISH AND IMPLEMENT A  
3 PROGRAM TO ASSIST LOW-INCOME INDIVIDUALS TO OBTAIN  
4 PRESCRIPTION DRUGS AT REDUCED COST.  
5

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 Act.

9 (b) Purpose. The General Assembly recognizes that many of North Carolina's  
10 low-income citizens are unable to afford the cost of prescription drugs for treatment of  
11 certain life-threatening illnesses. The General Assembly further recognizes that  
12 cooperative efforts between State and local government agencies and the private sector  
13 are often successful in providing important services to local communities, which  
14 services would not otherwise be available because of limited government resources.  
15 The purpose of this act is to authorize the Department of Environment, Health, and  
16 Natural Resources to facilitate local public and private sector cooperative efforts to  
17 identify and assist low-income individuals in obtaining certain prescription drugs at  
18 reduced cost.

19 Sec. 2. Prescription Drug Assistance Program. (a) There is established in the  
20 Department of Environment, Health, and Natural Resources, Division of Adult Health, a  
21 Prescription Drug Assistance Program. The purpose of the program is to assist local  
22 communities in identifying and securing the commitment of private sector resources or  
23 services and the cooperation of State and local agencies that provide health and social  
24 services, to enable eligible individuals to purchase prescription drugs for the treatment

1 of arthritis, diabetes, epilepsy, and cardiovascular disease at reduced cost. The cost for  
2 prescription drugs covered by the Prescription Drug Assistance Program shall be  
3 established by the Commission for Health Services, provided that such cost shall not  
4 exceed the maximum charges for prescription drugs reimbursable under the Medicaid  
5 Program.

6 (b) In administering the Prescription Drug Assistance Program the Department of  
7 Environment, Health, and Natural Resources, Division of Adult Health, shall:

- 8 (1) Identify and study issues relating to the medication needs of low-  
9 income persons throughout the State;
- 10 (2) Promote and coordinate voluntary efforts to assist eligible individuals  
11 in obtaining prescription drugs available under the Program at reduced  
12 cost to the individual or, if resources are available, at no cost to the  
13 individual;
- 14 (3) Provide materials or other outreach efforts that inform potentially  
15 eligible persons of the Program's existence and how they may obtain  
16 additional information about the Program; and
- 17 (4) Collect, analyze, and report data to assist the Commission for Health  
18 Services in evaluating the implementation and effectiveness of the  
19 Prescription Drug Assistance Program.

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

- 22 (1) Solicit funds, goods, or services to be designated and administered for  
23 the benefit of individuals eligible for assistance under the Program;  
24 and
- 25 (2) Engage in any other activities or efforts determined by the  
26 Commission for Health Services to be necessary and appropriate to  
27 implement this act.

28 (d) Pursuant to its responsibilities under this act and subject to funds available,  
29 the Department of Environment, Health, and Natural Resources, Division of Adult  
30 Health, may provide medications, services, or other related benefits directly to  
31 individuals eligible for Program services. Further pursuant to its responsibilities under  
32 this act, the Department may enter into informal agreements or written contracts with  
33 public or private entities for the purposes of obtaining or providing prescription drugs  
34 available under the Program for eligible individuals; provided, however, that any  
35 agreement or contract that contains a financial commitment or otherwise imposes a  
36 financial obligation on the State shall be in writing and shall not be binding upon the  
37 State unless the agreement or contract has the written approval of the Secretary of  
38 Environment, Health, and Natural Resources.

39 (e) Assistance in obtaining prescription drugs at reduced cost under the  
40 Prescription Drug Assistance Program shall be granted to any person who:

- 41 (1) Has insufficient income to pay for prescribed medication of the kind  
42 available under the Prescription Drug Assistance Program, provided  
43 that no person whose income exceeds two hundred percent (200%) of

1 the poverty level shall be eligible for assistance under the Program;  
2 and

3 (2) Is not receiving assistance that pays the cost of prescribed medication  
4 of the kind covered by the Prescription Drug Assistance Program,  
5 under the program of medical assistance established under G.S. 108A-  
6 54.

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

11 (g) An application processing fee not to exceed five dollars (\$5.00) per initial  
12 application and each renewal thereafter may be collected from each individual applying  
13 for assistance under the Prescription Drug Assistance Program. Individuals deemed  
14 eligible for assistance shall be issued a card identifying the individual as eligible for  
15 assistance. Identification cards shall be valid for a period not exceeding two years and  
16 may be renewed upon application by the individual and determination that the  
17 individual is eligible for assistance.

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

20 Sec. 4. There is appropriated from the General Fund to the Department of  
21 Environment, Health, and Natural Resources the sum of two hundred thousand dollars  
22 (\$200,000) for the 1992-93 fiscal year to be used for administrative costs to implement  
23 the Prescription Drug Assistance Act.

24 Sec. 5. Sections 1 and 3 of this act are effective upon ratification. Section 4  
25 of this act becomes effective July 1, 1992. Section 2 of this act becomes effective  
26 October 1, 1992.