

# SENATE . . . . . No. 1759

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## **The Commonwealth of Massachusetts**

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SENATE, November 30, 1992.

The committee on Ways and Means, to whom was committed the Senate Bill to provide rate relief for Medigap insurance subscribers (Senate, No. 660), reports recommending that the same ought to pass, with an amendment, substituting a new draft entitled "An act to provide prescription drug assistance to needy elderly persons" (Senate, No. 1759).

For the committee,

LINDA J. MELCONIAN.

**The Commonwealth of Massachusetts**

In the Year One Thousand Nine Hundred and Ninety-Two.

AN ACT TO PROVIDE PRESCRIPTION DRUG ASSISTANCE TO NEEDY ELDERLY PERSONS.

1     *Whereas*, the deferred operation of this act would tend to  
2 defeat its purpose, which is to immediately authorize a program  
3 of drug expense assistance for needy elderly persons, therefore it  
4 is hereby declared to be an emergency law, necessary for the  
5 immediate preservation of the public convenience.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1     SECTION 1. The department of medical security is hereby  
2 authorized and directed to establish and implement a program of  
3 prescription drug expense assistance for persons age sixty-five or  
4 older receiving medicare benefits who are eligible for said program  
5 as provided herein and in the regulations of the department.

6     Subject to the availability of appropriated funds, persons age  
7 sixty-five or older receiving medicare benefits whose income is not  
8 higher than two hundred percent of the federal poverty level and  
9 who are not eligible for medical assistance pursuant to chapter  
10 one hundred and eighteen E of the General Laws shall be eligible  
11 for said program. Benefits provided under said program shall, to  
12 the extent feasible, be calculated on a sliding scale so that the  
13 amount of assistance decreases for persons with higher incomes.  
14 Said department may by regulation provide for other eligibility  
15 standards and application and verification procedures.

16     Said department shall by regulation specify a schedule of  
17 benefits, copayments, covered drugs, covered diagnoses and other  
18 requirements. Said regulations may include incentives or  
19 requirements for the purchase of generic drugs, drugs provided  
20 by specified vendors, or other requirements to increase the cost  
21 effectiveness of the program. Said department may negotiate  
22 rebates or other contractual arrangements with drug manufactur-  
23 ers, drug vendors or others in connection with said program. Said

24 department may institute a utilization review program to restrict  
25 inappropriate or excessive usage. Said department may cooperate  
26 with the group insurance commission or the medical assistance  
27 program in establishing and administering the program.

1 SECTION 2. No later than twenty-one days after the effective  
2 date of this act, the department of medical security shall file with  
3 the joint committees on insurance and health care and with the  
4 house and senate committees on ways and means a plan for the  
5 implementation of this act. Said plan shall be based on an  
6 appropriation of not more than ten million dollars for the  
7 program from January first, nineteen hundred and ninety-three  
8 through June thirtieth, nineteen hundred and ninety-three. Said  
9 committees may review said plan and provide written comments  
10 to said department, which shall consider said comments in  
11 promulgating regulations under this act.

1 SECTION 3. The provisions of this act shall expire on June  
2 thirtieth, nineteen hundred and ninety-four.

