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HOUSE BILL 432

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

INTRODUCED BY

Ni ck L. Salazar

FOR THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE

AN ACT

RELATING TO PRESCRIPTION DRUGS; CREATING THE NEW MEX RX SENIOR PROGRAM; PROVIDING PRESCRIPTION DRUGS TO CERTAIN SENIORS WITH INCOMES BELOW ONE HUNDRED PERCENT OF THE FEDERAL POVERTY LEVEL; PROVIDING AN ANNUAL BENEFITS CAP; MAKING AN APPROPRIATION; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE. --This act may be cited as the "New Mex Rx Senior Program Act".

Section 2. DEFINITIONS. --As used in the New Mex Rx Senior Program Act:

A. "agency" means the state agency on aging;

B. "average wholesale price" means the manufacturer's price for a prescription drug to a wholesale customer; and

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1 C. "member" means a person enrolled in the New Mex
2 Rx senior program.

3 Section 3. PROGRAM CREATED-- ELIGIBILITY. --

4 A. The "New Mex Rx senior program" is created in
5 the state agency on aging to provide prescription drug
6 benefits to members. Implementation of the program shall be
7 pursuant to rules adopted by the agency.

8 B. To be eligible for the program a person shall:

9 (1) be a resident of the state of New Mexico
10 sixty-five years of age or older;

11 (2) have income of no more than one hundred
12 percent of the federal poverty level, according to the levels
13 of income defining poverty by family size published annually
14 in the federal register by the United States department of
15 health and human services; and

16 (3) not have a prescription drug benefit
17 under any health insurance coverage or other private or
18 governmental health plan.

19 Section 4. AGENCY DUTIES-- INDIVIDUAL ANNUAL CAP. -- The
20 agency shall:

21 A. enroll and provide program identification cards
22 to eligible applicants and require presentation of the card
23 when prescription drugs are purchased under the program;

24 B. pay to pharmacies amounts equal to the average
25 wholesale price, less twelve and one-half percent, plus a

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1 dispensing fee of no more than four dollars (\$4.00), for each
2 prescription drug purchased by a member;

3 C. adopt and use the formulary used by the human
4 services department in administering the prescription drug
5 benefit of the fee-for-service medicaid program as the
6 agency's formulary for the New Mex Rx senior program; and

7 D. ensure that no member receives more than one
8 thousand two hundred dollars (\$1,200) in benefits under the
9 program from the New Mex Rx senior program fund in a single
10 year.

11 Section 5. CO-PAYMENTS BY MEMBERS. -- For each purchase of
12 a prescription drug under the program, the member shall pay:

13 A. for a brand-name prescription drug, seven
14 dollars (\$7.00); and

15 B. for a generic prescription drug, three dollars
16 (\$3.00).

17 Section 6. NEW MEX RX SENIOR PROGRAM FUND CREATED. -- The
18 "New Mex Rx senior program fund" is created in the state
19 treasury, to be administered by the agency. All money
20 appropriated to the fund or accruing to it through gifts,
21 grants, fees or bequests shall be deposited in the fund. All
22 money in the fund shall be used by the agency to carry out the
23 purposes of the New Mex Rx senior program. Money and interest
24 from the investment of the fund shall be deposited in the
25 general fund. Money in the fund is appropriated to the agency

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1 to carry out the purposes of the New Mex Rx Senior Program
2 Act. Disbursements from the fund shall be made upon warrants
3 drawn by the secretary of finance and administration pursuant
4 to vouchers signed by the director of the agency or his
5 authorized representative. No more than one percent of the
6 amount received annually in the fund shall be used by the
7 agency to administer the program.

8 Section 7. REPORT.--Annually the agency shall publish
9 the number of program members, the number of prescriptions
10 paid for, the total amount paid for prescription drugs and a
11 breakdown of brand-name versus generic prescriptions filled.

12 Section 8. APPROPRIATION.--Twenty-four million dollars
13 (\$24,000,000) is appropriated from the general fund to the New
14 Mex Rx senior program fund for expenditure in fiscal years
15 2002 and 2003 to carry out the purposes of the New Mex Rx
16 Senior Program Act. Any unexpended or unencumbered balance
17 remaining at the end of fiscal year 2003 shall revert to the
18 general fund.

19 Section 9. EMERGENCY.--It is necessary for the public
20 peace, health and safety that this act take effect
21 immediately.