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HOUSE BILL 515

**47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006**

INTRODUCED BY

Ben Lujan

FOR THE PUBLIC EMPLOYEE BENEFITS OVERSIGHT SUBCOMMITTEE

AN ACT

RELATING TO PRESCRIPTION DRUG COVERAGE; CHANGING THE NAME OF  
THE SENIOR PRESCRIPTION DRUG PROGRAM TO THE DISCOUNT  
PRESCRIPTION DRUG PROGRAM; REMOVING THE AGE REQUIREMENT;  
CHANGING THE NAME OF THE SENIOR PRESCRIPTION DRUG PROGRAM FUND  
TO THE DISCOUNT PRESCRIPTION DRUG PROGRAM FUND; AMENDING  
SECTIONS OF THE NMSA 1978.

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

Section 1. Section 10-7C-17 NMSA 1978 (being Laws 2002,  
Chapter 75, Section 2 and Laws 2002, Chapter 80, Section 2, as  
amended) is amended to read:

"10-7C-17. CREATION OF [~~SENIOR~~] DISCOUNT PRESCRIPTION  
DRUG PROGRAM.--

A. The "[~~senior~~] discount prescription drug  
program" is created in the authority.

.159145.3

underscored material = new  
[bracketed material] = delete

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1           B. To be eligible for the [~~senior~~] discount  
2 prescription drug program, a person shall [~~(1)~~] be a resident  
3 of the state [~~and (2) be sixty-five years of age or older~~].

4           C. Upon a determination that the person qualifies  
5 for the [~~senior~~] discount prescription drug program, the  
6 authority may assess an annual administrative fee not to exceed  
7 sixty dollars (\$60.00) per year. The authority shall collect  
8 the fees, which shall be used by the authority to cover the  
9 cost of administering the program.

10           D. The amount a qualified person pays for a  
11 prescription drug shall not exceed the total cost of the  
12 dispensing fee plus the contracted discounted price made  
13 available to the authority for [~~this group of seniors~~] the  
14 prescription drug.

15           E. The authority shall enroll and provide  
16 participants with electronic or other form of membership  
17 identification for use by pharmacies for each transaction.

18           F. The authority shall actively promote membership  
19 and benefit information on the [~~senior~~] discount prescription  
20 drug program to seniors and the general public throughout the  
21 state."

22           Section 2. Section 10-7C-18 NMSA 1978 (being Laws 2002,  
23 Chapter 75, Section 3 and Laws 2002, Chapter 80, Section 3) is  
24 amended to read:

25           "10-7C-18. FUND CREATED.--The "[~~senior~~] discount  
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1 prescription drug program fund" is created in the state  
2 treasury. All fees collected pursuant to Subsection C of  
3 Section [~~2 of this act~~] 10-7C-17 NMSA 1978 and all rebates  
4 received from drug manufacturers shall be deposited in the fund  
5 and shall be used for the purposes of the [~~senior~~] discount  
6 prescription drug program. Money appropriated to the fund or  
7 accruing to it through rebates, gifts, grants, fees or bequests  
8 shall be deposited in the fund. Earnings from investment of  
9 the fund shall be credited to the fund. Money in the fund is  
10 appropriated to the authority for the purpose of administering  
11 the [~~senior~~] discount prescription drug program. Money in the  
12 fund shall not revert at the end of any fiscal year.  
13 Disbursements from the fund shall be made upon warrants drawn  
14 by the secretary of finance and administration pursuant to  
15 vouchers signed by the director of the authority or [~~his~~] the  
16 director's authorized representative. The authority shall  
17 annually adjust the enrollment fee to permit necessary  
18 administration of the program but shall not exceed the amount  
19 established in Subsection C of Section [~~2 of this act~~] 10-7C-17  
20 NMSA 1978."

21 Section 3. Section 10-7C-19 NMSA 1978 (being Laws 2002,  
22 Chapter 75, Section 4 and Laws 2002, Chapter 80, Section 4) is  
23 amended to read:

24 "10-7C-19. AUDIT--FEE RECOMMENDATION.--Annually the  
25 legislative finance committee shall conduct a fiscal audit of  
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1 the [~~senior~~] discount prescription drug program fund and the  
2 administration of the program, including rebates negotiated for  
3 the prescription drugs purchased by participants, and shall  
4 recommend if and how much of an annual fee is necessary for  
5 participants in the program."

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