

MAR 22 2005

HOUSE FILE 821

BY COMMITTEE ON APPROPRIATIONS

APPROPRIATIONS CALENDAR

(SUCCESSOR TO HF 709)

(SUCCESSOR TO HF 342)

Passed House, Date 3-29-05 Passed Senate, Date 4-21-05  
 Vote: Ayes 99 Nays 1 Vote: Ayes 49 Nays 0  
 Approved Item Veto 6/10/05

**A BILL FOR**

1 An Act relating to the establishment of a prescription drug  
 2 assistance clearinghouse program by the commissioner of  
 3 insurance, and providing for a contingent appropriation.  
 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 821

1 Section 1. NEW SECTION. 505.26 PRESCRIPTION DRUG  
2 ASSISTANCE CLEARINGHOUSE PROGRAM.

3 1. The commissioner of insurance shall establish and  
4 administer a prescription drug assistance clearinghouse  
5 program to improve access to prescription drugs for  
6 individuals who have no or inadequate health insurance or  
7 other resources for the purchase of medically necessary  
8 prescription drugs and to assist individuals in accessing  
9 programs offered by pharmaceutical manufacturers that provide  
10 free or discounted prescription drugs or provide coverage for  
11 prescription drugs.

12 2. The commissioner of insurance shall utilize computer  
13 software programs to do all of the following:

14 a. Provide a clearinghouse to assist individuals in  
15 accessing manufacturer-sponsored prescription drug assistance  
16 programs for which they may be eligible, including listing the  
17 eligibility requirements for pharmaceutical assistance  
18 programs offered by manufacturers.

19 b. Disseminate information about and assist individuals in  
20 assessing pharmaceutical discount or insurance programs that  
21 may be beneficial.

22 c. Serve as a resource for pharmaceutical benefit issues.

23 d. Assist individuals in making application to and  
24 enrolling in the pharmaceutical assistance program most  
25 appropriate for the individual.

26 e. Maintain a listing of community-based pharmacy  
27 assistance programs for additional assistance.

28 3. The commissioner of insurance shall provide information  
29 to pharmacies, physicians, other appropriate health care  
30 providers, and the general public regarding the program and  
31 about manufacturer-sponsored prescription drug assistance  
32 programs.

33 4. The commissioner of insurance shall notify  
34 pharmaceutical manufacturers doing business in this state of  
35 the prescription drug assistance clearinghouse program, and

1 every pharmaceutical manufacturer that does business in this  
2 state that offers a pharmaceutical assistance program shall  
3 notify the commissioner of the existence of the program, the  
4 prescription drugs covered by the program, and all information  
5 necessary for application for assistance through the program.  
6 The commissioner of insurance shall provide for ongoing review  
7 and assessment of pharmaceutical discount or insurance  
8 programs.

9 5. The commissioner of insurance may work with  
10 pharmaceutical manufacturers to develop a simplified system to  
11 assist individuals in accessing pharmaceutical assistance  
12 programs. The system may include a simplified, uniform  
13 application process or a voucher system for dispensing  
14 prescription drugs through local pharmacies.

15 6. The commissioner of insurance shall monitor and  
16 evaluate the prescription drug assistance clearinghouse  
17 program including but not limited to the number of individuals  
18 served, the length and types of services provided, and any  
19 other measurable data available to assess the effectiveness of  
20 the program. The commissioner shall make recommendations for  
21 improvement of the program and shall identify and make  
22 recommendations regarding additional strategies to improve  
23 access to prescription drugs for citizens who have no or  
24 inadequate health insurance or other resources for the  
25 purchase of prescription drugs.

26 7. The commissioner of insurance shall submit a report  
27 regarding the effectiveness of the program and including any  
28 recommendations for improvement of the program to the governor  
29 and the general assembly on or before December 15, annually.  
30 If a national pharmaceutical assistance program is established  
31 by a public or private entity, the commissioner of insurance  
32 shall include in the annual report a recommendation regarding  
33 the continuation or elimination of the state prescription drug  
34 assistance clearinghouse program.

35 Sec. 2. PRESCRIPTION DRUG ASSISTANCE CLEARINGHOUSE PROGRAM

1 -- FUNDING -- CONTINGENT APPROPRIATION.

2 1. The commissioner of insurance shall seek federal  
3 funding to establish and administer the prescription drug  
4 assistance clearinghouse program pursuant to section 505.26.

5 2. If federal funding is not received pursuant to  
6 subsection 1 before October 1, 2005, as certified by the  
7 commissioner of insurance, there is appropriated from the  
8 senior living trust fund created in section 249H.4 to the  
9 insurance division of the department of commerce beginning  
10 October 1, 2005, and ending June 30, 2006, the following  
11 amount, or so much thereof as is necessary, to be used for the  
12 purpose designated:

13 For the establishment and administration of the  
14 prescription drug assistance clearinghouse program pursuant to  
15 section 505.26:

16 ..... \$ 250,000

17 EXPLANATION

18 This bill directs the commissioner of insurance to  
19 establish and administer a prescription drug assistance  
20 clearinghouse program to improve access to prescription drugs  
21 for individuals and to assist individuals in accessing  
22 programs offered by pharmaceutical manufacturers that provide  
23 free or discounted prescription drugs or provide coverage for  
24 prescription drugs.

25 The bill directs the commissioner of insurance to utilize  
26 computer software programs to provide a clearinghouse to  
27 assist individuals in accessing manufacturer-sponsored  
28 prescription drug assistance programs for which they may be  
29 eligible; disseminate information about and assist citizens in  
30 assessing pharmaceutical discount or insurance programs that  
31 may be beneficial; serve as a resource for pharmaceutical  
32 benefit issues; assist individuals in making application to  
33 and enrolling in the pharmaceutical assistance program most  
34 appropriate for the individual; and maintain a listing of  
35 community-based pharmacy assistance programs for additional

1 assistance.

2 The bill directs the commissioner of insurance to provide  
3 information to pharmacies, physicians, other appropriate  
4 health care providers, and the general public regarding the  
5 program and about manufacturer-sponsored prescription drug  
6 assistance programs.

7 The commissioner of insurance is to notify pharmaceutical  
8 manufacturers doing business in the state of the prescription  
9 drug assistance clearinghouse program, and every  
10 pharmaceutical manufacturer that does business in the state  
11 that offers a pharmaceutical assistance program is required to  
12 notify the commissioner of the existence of the program, the  
13 prescription drugs covered by the program, and all information  
14 necessary for application for assistance through the program.  
15 The commissioner of insurance is to provide for ongoing review  
16 and assessment of pharmaceutical discount or insurance  
17 programs.

18 The bill directs the commissioner of insurance to monitor  
19 and evaluate the prescription drug assistance clearinghouse  
20 program, to make recommendations for improvement of the  
21 program, and to identify and make recommendations regarding  
22 additional strategies to improve access to prescription drugs  
23 for individuals who have no or inadequate health insurance or  
24 other resources for the purchase of prescription drugs.

25 The commissioner is to submit an annual report to the  
26 governor and the general assembly regarding the effectiveness  
27 of the program and including any recommendations for  
28 improvement of the program. If a national program is  
29 established, the report is to include a recommendation  
30 regarding the continuation or elimination of the state  
31 program.

32 The bill directs the commissioner of insurance to seek  
33 federal funding to establish and administer the prescription  
34 drug assistance clearinghouse program. However, if federal  
35 funding is not received before October 1, 2005, the bill

1 appropriates \$250,000 from the senior living trust fund to the  
2 insurance division of the department of commerce beginning  
3 October 1, 2005, and ending June 30, 2006, for the  
4 establishment and administration of the program.

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June 10, 2005

The Honorable Chester Culver  
Secretary of State  
State Capitol Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit **House File 821**, an Act relating to the establishment of a prescription drug assistance program by the commissioner of insurance, and providing for a contingent appropriation.

Assisting all Iowans with access to lower cost prescription drugs continues to be one of my top priorities. Prescription drug assistance programs similar to the one established in House File 821 have been valuable tools in other states, and this program is estimated to save Iowans between \$6 and \$10 million. Furthermore, House File 821 will compliment the initiatives of the new IowaCare Act (House File 841). I have directed the Insurance Commissioner to work with the Department of Human Services during the implementation process to ensure an efficient and effective use of resources in providing prescription drug assistance to Iowans.

House File 821 is approved on this date with the following exception, which I hereby disapprove. I am unable to approve the item designated as Section 2, subsection 2 in its entirety. I remain concerned that this section unnecessarily diverts resources away from the Senior Living Trust, which provides seniors vital health care and living option services. This section also implies the program is targeted towards older Iowans when its benefits should serve all Iowans who need assistance accessing prescription drugs to protect their health security. If necessary, any future appropriation should come from the state general fund. I cannot and will not support an unnecessary diversion of resources from the Senior Living Trust.

For the above reasons, I respectfully disapprove of the designated item in accordance with Article III, Section 16, of the Constitution of the State of Iowa. All other items in **House File 821** are hereby approved as of this date.

Sincerely,

Thomas J. Vilsack  
Governor

TJV:jmc

cc: Secretary of the Senate  
Chief Clerk of the House

HOUSE FILE 821

AN ACT

RELATING TO THE ESTABLISHMENT OF A PRESCRIPTION DRUG ASSISTANCE CLEARINGHOUSE PROGRAM BY THE COMMISSIONER OF INSURANCE, AND PROVIDING FOR A CONTINGENT APPROPRIATION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 505.26 PRESCRIPTION DRUG ASSISTANCE CLEARINGHOUSE PROGRAM.

1. The commissioner of insurance shall establish and administer a prescription drug assistance clearinghouse program to improve access to prescription drugs for individuals who have no or inadequate health insurance or other resources for the purchase of medically necessary prescription drugs and to assist individuals in accessing programs offered by pharmaceutical manufacturers that provide free or discounted prescription drugs or provide coverage for prescription drugs.

2. The commissioner of insurance shall utilize computer software programs to do all of the following:

a. Provide a clearinghouse to assist individuals in accessing manufacturer-sponsored prescription drug assistance programs for which they may be eligible, including listing the eligibility requirements for pharmaceutical assistance programs offered by manufacturers.

b. Disseminate information about and assist individuals in assessing pharmaceutical discount or insurance programs that may be beneficial.

c. Serve as a resource for pharmaceutical benefit issues.

d. Assist individuals in making application to and enrolling in the pharmaceutical assistance program most appropriate for the individual.

e. Maintain a listing of community-based pharmacy assistance programs for additional assistance.

3. The commissioner of insurance shall provide information to pharmacies, physicians, other appropriate health care providers, and the general public regarding the program and about manufacturer-sponsored prescription drug assistance programs.

4. The commissioner of insurance shall notify pharmaceutical manufacturers doing business in this state of the prescription drug assistance clearinghouse program, and every pharmaceutical manufacturer that does business in this state that offers a pharmaceutical assistance program shall notify the commissioner of the existence of the program, the prescription drugs covered by the program, and all information necessary for application for assistance through the program. The commissioner of insurance shall provide for ongoing review and assessment of pharmaceutical discount or insurance programs.

5. The commissioner of insurance may work with pharmaceutical manufacturers to develop a simplified system to assist individuals in accessing pharmaceutical assistance

programs. The system may include a simplified, uniform application process or a voucher system for dispensing prescription drugs through local pharmacies.

6. The commissioner of insurance shall monitor and evaluate the prescription drug assistance clearinghouse program including but not limited to the number of individuals served, the length and types of services provided, and any other measurable data available to assess the effectiveness of the program. The commissioner shall make recommendations for improvement of the program and shall identify and make recommendations regarding additional strategies to improve access to prescription drugs for citizens who have no or inadequate health insurance or other resources for the purchase of prescription drugs.

7. The commissioner of insurance shall submit a report regarding the effectiveness of the program and including any recommendations for improvement of the program to the governor and the general assembly on or before December 15, annually. If a national pharmaceutical assistance program is established by a public or private entity, the commissioner of insurance shall include in the annual report a recommendation regarding the continuation or elimination of the state prescription drug assistance clearinghouse program.

Sec. 2. PRESCRIPTION DRUG ASSISTANCE CLEARINGHOUSE PROGRAM -- FUNDING -- CONTINGENT APPROPRIATION.

1. The commissioner of insurance shall seek federal funding to establish and administer the prescription drug assistance clearinghouse program pursuant to section 505.26.

2. If federal funding is not received pursuant to subsection 1 before October 1, 2005, as certified by the commissioner of insurance, there is appropriated from the senior living trust fund created in section 249H.4 to the insurance division of the department of commerce beginning October 1, 2005, and ending June 30, 2006, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the establishment and administration of the prescription drug assistance clearinghouse program pursuant to section 505.26:

..... \$ 250,000

CHRISTOPHER C. RANTS  
Speaker of the House

JOHN P. KIBBIE  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 821, Eighty-first General Assembly.

*Item VETO*  
*6/10*  
Approved \_\_\_\_\_, 2005

MARGARET THOMSON  
Chief Clerk of the House

THOMAS J. VILSACK  
Governor