

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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**HOUSE BILL 1232
Second Edition Engrossed 4/26/01
Senate Health Care Committee Substitute Adopted 5/17/01**

Short Title: Prescription Drug Assistance for Seniors.

(Public)

Sponsors:

Referred to:

April 12, 2001

A BILL TO BE ENTITLED

1
2 AN ACT TO DIRECT THE HEALTH AND WELLNESS TRUST FUND
3 COMMISSION TO ENDEAVOR TO FUND PROGRAMS AND INITIATIVES
4 TO EXPAND ACCESS TO PRESCRIPTION DRUGS FOR SENIORS AND
5 DISABLED CITIZENS.

6 Whereas, the affordability of prescription drugs has become a great burden to
7 North Carolina's senior citizens; and

8 Whereas, Medicare typically does not pay for prescription drugs; and

9 Whereas, nearly half of Medicare beneficiaries do not have coverage for
10 prescription drugs for the entire year; and

11 Whereas, prescription drug spending accounts for one-sixth of all
12 out-of-pocket spending for senior citizens; and

13 Whereas, it is estimated that for the year 2000, Medicare fee for service
14 beneficiaries spent on average, \$1,370 for prescription drugs; and

15 Whereas, it has been reported that in 1998, 5% of older persons spent more
16 than \$4,100 on prescription drugs, and 1% spent more than \$6,600; and

17 Whereas, prescription drug costs are increasing at a double digit rate per year;
18 and

19 Whereas, approximately 30 communities in North Carolina have established
20 programs to expand access to prescription drugs for local residents; and

21 Whereas, over 20 states have established statewide prescription drug
22 assistance programs; and

23 Whereas, President Bush sent to Congress a proposal on January 29, 2001,
24 called "Immediate Helping Hand" that would provide support to states over a four-year
25 period to cover the full cost of drugs for the poorest senior adults and part of the cost for
26 those at slightly higher incomes; and

27 Whereas, the General Assembly established, pursuant to Article 6C of
28 Chapter 147 of the General Statutes, the Health and Wellness Trust Fund in the Office

1 of the State Treasurer to be used to finance programs and initiatives to improve the
2 health and wellness of the people in North Carolina; and

3 Whereas, moneys from the fund may be used to address the health needs of
4 vulnerable and underserved populations in North Carolina; and

5 Whereas, the Health and Wellness Trust Fund Commission has the duty to
6 develop criteria for awarding grants under the Article that will include programs
7 addressing the short- and long-term health and wellness of the citizens of North
8 Carolina; Now, therefore,

9 The General Assembly of North Carolina enacts:

10 **SECTION 1.** The Health and Wellness Trust Fund Commission shall, as it
11 develops criteria for awarding grants under Article 6C of Chapter 147 of the General
12 Statutes, include criteria that will enable programs and initiatives addressing the need to
13 expand access to prescription drugs to North Carolina senior and disabled citizens to
14 receive grants from the Fund. In making the grants, the Commission shall consider, and
15 coordinate with, the availability of any federal funds allocated to North Carolina
16 pursuant to any federal initiative to provide financial assistance to senior and disabled
17 citizens for the cost of prescription drugs.

18 In making its annual report to the Joint Legislative Commission on
19 Governmental Operations and to the chairs of the Joint Legislative Health Care
20 Oversight Committee regarding the implementation of the Article, the chair of the
21 Health and Wellness Trust Fund Commission shall report on the programs and
22 initiatives to expand access to prescription drugs to senior and disabled citizens that
23 were funded by the Trust Fund. The report shall include the amount of funds disbursed
24 for programs and initiatives to expand access to prescription drugs to senior and
25 disabled citizens and the success of those programs and initiatives towards helping
26 senior and disabled citizens obtain prescription drugs.

27 **SECTION 2.** This act is effective when it becomes law.