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State Pharmaceutical Discount Programs for Residents Under Age 65 (Including Non-Medicare Populations)

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In the past eight years, states have attracted a great deal of attention by establishing pharmaceutical discount programs under the authority of state law or regulation. As of early 2007, 28 states had some type of discount program operational or authorized by law. Until 2004, with three exceptions, these programs focused on seniors and the disabled.

The idea of serving the under age-65 population has grown more slowly, and has been more contentious in some locations. In 2000, **Maine** became the first state to enact a pharmaceutical program aimed substantially at adults age 18-65, although children, seniors and disabled without insurance also could enroll. In 2002, **Vermont** and **Hawaii** enacted similar programs, also for all ages. Meanwhile, **Ohio** (2002), **Washington** (2003) and **West Virginia** (2001) established programs for working-age older residents (age 50 and over in WA; age 60 and over in OH & WV). Beginning in 2003, **Maryland's** Pharmacy Assistance Program included residents age 19 and older with income up to \$11,112 a year. Also in 2003, **Ohio** added a second "Best Rx" program, that includes under-60 residents (up to 250% FPL).

In December 2003, the US Congress enacted the Medicare Modernization Act (MMA). In the three plus years since the MMA, another dozen states have focused on the adult, non-Medicare population to provide discounted prescription drugs. These recent programs include some with no age or income limits including **Arizona** (2005), **New Mexico** (2005), **Oklahoma** (2005) and **Wisconsin** (2005). Others do have maximum income limits: **Arkansas** (350% FPL), **Illinois** (300% FPL), **Kansas** (2006, 300% FPL) **Maryland** (150% FPL), **Michigan** (300% FPL), **Montana** (250% FPL), **Oregon** (185% FPL) and **Rhode Island** (200% FPL). In 2006 **California** enacted a program for residents up to 300% FPL or with Rx expenses at least 10 percent of annual income. **Tennessee** enacted the CoverRx program for residents between the ages of 19 to 64 (250% FPL). In February 2007 **Colorado** enacted a comparable plan with 300% FPL income limit. This brings the total to 21 states operational, enacted or authorized as of June 2007.


The 2006 Ballot: The voters of **Oregon** in November 2006 approved a ballot question (#44) to "expand the Oregon Prescription Drug Program by removing eligibility requirements so that all Oregonians without prescription drug coverage regardless of age or income may participate. Participation in the Oregon Prescription Drug Program is voluntary. Medicare Part D prescription plan enrollees would be eligible to join. Participants would receive a card to use at participating pharmacies to purchase prescription drugs at the discounted price."

The structures of these programs vary considerably. Some are integrated into a multi-program agency, that includes separate state subsidies, or also serve seniors or Medicare enrollees. Most rely on voluntary negotiations with manufacturers (and/or wholesalers and retail pharmacies) to achieve their discounted prices. A few have administrative or legal ties to

the state Medicaid program although almost all the programs listed are not intended to serve Medicaid beneficiaries.

The table below provides details and links to the operational programs and the most formal enacted programs. It does not include 1) subsidy programs in which the state is spending funds to pay for drugs, 2) programs that confine under-65 eligibility only to disabled or SSI residents 3) bulk purchasing initiatives aimed at discounts for state agencies and 4) the private, charitable programs run by manufacturers and the for-profit or non-profit discount cards run by many others.


State	Discount Program Name	Recipients * = incl. disabled	Eligibility age & maximum income (year)	Year / law citation or authority	Contact/ Telephone / dates of operation **
Arizona	CoppeRx Card SM	1,100,000 enrollment automatic *	All Arizona residents No age or income restrictions	2003: Executive Order	Operational 1/04. Full auto-enrollment as of 3/1/04
Arkansas	Arkansas Rx Program (description online)	n/a *	Under 65 , up to \$33,495 (350% of FPL) Age 65 & over, no income limit Medicare Part D or Medicaid are excluded.	2005: HB 1241 signed as Act 538, 3/3/05	No longer Operational ; ended July1, 2007. web site open 8/1/06; enrollment goal: open Sept. 2006 DHHS In-state toll-free: 866-695-6508
California	California Discount Prescription Drug Program	n/a *	All residents up to 300% of FPL or with Rx costs 10%+ of annual income.	2006: AB 2911 signed as <i>Chapter 619 of '06</i>	Not yet operational Dept. of Health Services
Colorado NEW	Colorado Cares Rx	n/a *	All residents up to 300% of FPL without health insurance.	2007:	Not yet operational
Hawaii	Hawaii Rx+ discount program (online description)	142,636 * (5/05)	Age: "All residents of the state shall be eligible" up to 350% FPL Income-individual: \$37,464; couple: \$50,268	2002 HB 2834 ; 2004: HB 2005	Operational 7/1/04 Department of Human Services 808-586-5036
Illinois	Illinois Rx Buying Club (description online)	n/a *	Age: all residents with incomes up to 300% FPL, or \$29,400 (\$10 annual fee)	2003 SB 3 2005: HB 973	Operational 1/1/04; all ages as of 1/1/06 call 1-866-215-3462 www.illinoisrxbuyingclub.com

Kansas 	CommunityRx Kansas (on-line description) NEW	n/a	Eligibility: any resident without Rx coverage, income up to: individual: \$29,400 couple: \$39,600	2006	Operational 2006. Div. of Health Policy & Finance (785) 296
Maine	Maine Rx Plus Program (description online) U.S. Supreme Court favorable ruling 5/19/03	73,000 * (1/04) (275,000 estimated eligible)	Minimum age: none Eligibility: income up to 350% of FPL ('04) Individual: \$32,585 Married: \$37,490	2000; 2003 LD 1634/ SP 560 (signed 6/13/03)	Operational 1/17/04 207 287-2674 Bureau of Medical Services To enroll: 1-866-796-2463
Maryland (1)	Maryland Pharmacy Assistance Program (on-line description) Provides a partial Rx subsidy.	51,287 * (8/12/05)	Minimum age: 19 and over Single: \$11,112 Married: \$12,840 (approx 116% FPL; 10/05) Disabled: yes No limitation by age or medical condition; asset limit is less than \$4,000 for a single person.	1979 Health-General §15-124 2003 HB 17 (effective 7/1/03)	Sec. Of Health & Mental Hygiene 410 767-5394 (Replaced by Medicare Part D as of 1/1/06)
Maryland	Maryland Pharmacy Discount Program (as of 1/1/06)	n/a *	Uninsured residents under age 65 , but not Medicare or Medicaid. Income: (175% FPL, 10/05) Single: \$16,752 Couple: \$22,464	2005: HB 1143 law effective 6/1/05	Not yet operational (Requires CMS waiver approval, which was <u>denied</u> in Sept. 2006)
Michigan	MI Rx Prescription Savings Program (online description)	Est. 50,000-200,000	No minimum age Income: 300% FPL indiv.: \$28,710 No enrollment fee (<i>provides est. discount of 20% as negotiated by state agency</i>)	2004 Governor's initiative	Michigan Dept. of Community Health: 1-866-755-6479 (Online application form)
Montana	Prescription Drug Plus Program	n/a	No minimum age Income: up to 250% FPL (\$23,925 in '05) Must lack Rx coverage, or	2005 SB 324 Signed 4/19/05	Law effective 7/1/05

			exhaust benefits.		
New Mexico	NM voluntary discount card program (the state has another program for people over 65)	n/a	residents under age 65 no other prescription drug coverage	2005: SB 689 <i>signed as chapter 160</i> 4/5/05	Not yet operational
Ohio	Golden Buckeye Prescription Drug Savings Program (Description online)	2,142,000 auto-enrolled (672,000 actual uses) (5/04)	Minimum age: 60 Disabled: no age limit no income limit (discount may vary by income)	2002: SB 261 , §173.06 signed 6/5/02	Operational as of 10/03 Dept of Aging: toll-free: 800 301-6446
Ohio	Ohio's Best Rx (Description online)	15,000+	Minimum age: 60; Also under 60 w/ family income not to exceed 250% FPL Individual: \$23,275; Couple: \$31,225 ('04).	2003: HB 311 signed 12/18/03	Operational as of 1/11/2005.

Chart of all Ohio Rx programs online at <http://www.ohiobestrx.org/pdfs/drugcomparison.pdf>

Oklahoma	Oklahoma Prescription Drug Discount Program	n/a	Minimum age: none Eligibility: defined as uninsured residents No income limit; over 150% FPL have annual enrollment fee.	2005: SB 547 Chapter 419, signed 6/6/05	Not yet operational - law effective 7/1/05 OK Health Care Authority
Oregon	Oregon Prescription Drug Program (OPDP) (on-line description)	1,000 (9/06) -----	Minimum age: 54. Eligibility: Individual: \$18,130 /yr (185% FPL) ----- Expansion for 2007: NEW Minimum age: none Eligibility: no income limit	2003: law 2006 expansion: Ballot Measure 44 (Full Text) approved by voters 11/7/06	Operational 2004
Rhode Island	Prescription Drug Discount Program	n/a	Ages: 19-65 Eligibility: \$19,140	2004 S.2886	Operational 9/06

	for the Uninsured		('05, 200% FPL) Enrollment fee: up to \$30/yr	RI GL § 42-66.2.1-3	Effective date 3/15/2005. Dept. of Elder Affairs
Tennessee	CoverRx	26,548 (8/29/07)	Ages: 19 through 64 Eligibility: 250% FPL	2006: Signed 6/12/06	Cover TN telephone: 1-866-CoverTN
Vermont	Healthy Vermonters (Plus) Discount Program (Includes a Medicaid waiver with 2% state payment toward cost of drugs)	n/a *	Minimum age: none Under 65: 300% FPL. If age 65+, income: up to 400% FPL ('04) Disabled: SSDI	2002: H.31 signed as Act 127 2004: H 768 (signed 6/10/04)	Law effective 7/1/02 Discount not operational - see adverse federal ruling of 12/24/02
Washington	Rx Washington discount plan (description online) (negotiated discounts) ----- Washington Prescription Drug Program (WPDP) www.rx.wa.gov	* (est. 40,000 max. eligible) -----	Minimum age: 50; Disabled 19-49 Single: \$30,630 Couple: \$41,070 ('07 = 300% FPL) All residents; no age or income limits.	2003: SB 6088 (signed 6/26/03) 2005: SB 5471	Operational WPDP operational 2/1/20007
West Virginia 	Golden Mountaineer Discount Card Program (online description)	17,000 (7/1/03; actual use)	Minimum age: 60 Eligibility: no income requirements	2001 Executive order	Operational 9/01 Bureau of Senior Services 304-558-3317 or toll-free at 1-877-987-3646
West Virginia	WV Pharmaceutical discount program	*	Minimum age: None; for "uninsured residents" Eligibility: single: \$19,140 couple: \$25,660 (200% FPL)	2004 HB 4084 Signed 4/7/04	
Wisconsin	Badger Rx Gold	6,000 * (8/05)	Minimum age: None Eligibility: no income requirements	2004 expansion	Began 3/05

Notes:

AR: The AR Rx Program will use manufacturer rebates and pharmacy discounts to reduce prescription drug prices, with participating retail drug stores to pass on savings from rebates. An annual enrollment fee of \$25 applies. Those enrolled in Medicare Part D or Medicaid will not be eligible.

CA: [AB 2911 of 2006](#) establishes the California Discount Prescription Drug Program within the Department of Health Services. The voluntary drug discount program includes: 1) individuals with annual income to 300% of the federal poverty guidelines, 2) persons or families facing extraordinary medical expenses equal to at least 10 percent of annual income, or 3) is enrolled in the Medicare Program, but whose prescription drugs are not covered by the Medicare Program. The program excludes persons who receive coverage in whole or in part by Medi-Cal (Medicaid), state-funded health programs like the Healthy Families Program or "another third-party payer, provided that the individual has not reached the annual limit on his or her prescription drug coverage." Also requires the Department to negotiate drug discount agreements with drug manufacturers " and shall attempt to negotiate the maximum possible discount" and pursue manufacturer rebate agreements for drugs in each therapeutic category, with such manufacturer price disclosures defined as confidential. Law also includes a mechanism allowing the state to remove a manufacturer's product from the state's Medi-Cal preferred drug formulary and "may require prior authorization" if the drug company does not provide sufficient discounts. The use of prior authorization option takes effect August 2010. The law was signed by the governor as Chapter 619 of 2006 on September 29, 2006. |[Legislative news release 8/30/06](#)

AZ: http://www.rxamerica.com/press_az_sr_faq.html

HI: [HB 2834](#) of 2002 established the Hawaii Rx pharmaceutical discount program for all state residents. It provides for the state to obtain manufacturers' rebates on drugs that are offered at discounted prices to program participants. Discounts are intended to be at least at the Medicaid discount level. It also provides reimbursement to participating pharmacists and establishes an advisory commission and special fund.



IL: The Illinois Rx Buying Club for seniors was enacted in 2003. In June 2005 ,the law was changed to allow any resident, especially those under 65, with income up to 300% of federal poverty guidelines, to participate, effective January 1, 2006.

ME: The U.S. Supreme Court issued a ruling generally favorable to the state-only Maine Rx law in May 2003; however in June 2003 the legislature enacted a revised program, renamed Maine Rx Plus. This law changes details of eligibility and negotiations to achieve discounts.

This report is excerpted from a longer NCSL Report, " State Pharmaceutical Assistance Programs", which is posted online at www.ncsl.org/programs/health/drugaid.htm. See that report for additional legislative history, regular updates and links to related pharmaceutical policies.

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