

STATUS:**S7226 RULES**

Budget Bills

TITLE....Enacts provisions of law necessary to implement emergency appropriations for the support of government

05/03/04 REFERRED TO FINANCE
 05/03/04 ORDERED TO THIRD READING CAL.929
 05/03/04 SUBSTITUTED BY A11067

A11067 Rules

05/03/04 referred to ways and means
 05/03/04 reported referred to rules
 05/03/04 rules report cal.589
 05/03/04 ordered to third reading rules cal.589
 05/03/04 message of necessity - 3 day message
 05/03/04 passed assembly
 05/03/04 delivered to senate
 05/03/04 REFERRED TO FINANCE
 05/03/04 SUBSTITUTED FOR S7226
 05/03/04 3RD READING CAL.929
 05/03/04 MESSAGE OF NECESSITY - 3 DAY MESSAGE
 05/03/04 PASSED SENATE
 05/03/04 RETURNED TO ASSEMBLY
 05/03/04 delivered to governor

BILL TEXT:**STATE OF NEW YORK**

S. 7226

A. 11067

SENATE - ASSEMBLY

May 3, 2004

IN SENATE -- Introduced by COMMITTEE ON RULES -- (at request of the Governor) -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

IN ASSEMBLY -- Introduced by COMMITTEE ON RULES -- (at request of the Governor) -- read once and referred to the Committee on Ways and Means

AN ACT to amend the executive law, in relation to medicare drug discount card agreements (Part A); in relation to suspending until June 30, 2004, the effectiveness of exemptions of certain clothing and footwear from sales and compensating use taxes imposed by or pursuant to the authority of article 28 or 29 of the tax law and to amend chapter 62 of the laws of 2003 amending the general business law and other laws relating to implementing the state fiscal plan for the 2003-04 state fiscal year, in relation to the effectiveness thereof (Part B)

The People of the State of New York, represented in Senate and Assem-

bly, do enact as follows:

1 Section 1. This act enacts into law major components of legislation
2 which are necessary to implement the state fiscal plan for the 2004-2005
3 state fiscal year. Each component is wholly contained within a Part
4 identified as Parts A and B. The effective date for each particular
5 provision contained within such Part is set forth in the last section of
6 such Part. Any provision in any section contained within a Part, includ-
7 ing the effective date of the Part, which makes reference to a section
8 "of this act", when used in connection with that particular component,
9 shall be deemed to mean and refer to the corresponding section of the
10 Part in which it is found. Section three of this act sets forth the
11 general effective date of this act.

12

PART A

13 Section 1. Paragraph (c) of subdivision 3 of section 547-b of the
14 executive law, as amended by section 1 of part J of chapter 57 of the
15 laws of 2000, is amended to read as follows:

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 (c) The fact that some of an individual's prescription drug expenses
2 are paid or reimbursable under the provisions of the medicare program
3 shall not disqualify an individual, if he or she is otherwise eligible,
4 from receiving assistance under this article. In such cases, the state
5 shall pay the portion of the cost of those prescriptions for qualified
6 drugs for which no payment or reimbursement is made by the medicare
7 program or any federally funded prescription drug benefit, less the
8 participant's co-payment required on the amount not paid by the medicare
9 program. In addition, the participant registration fee charged to
10 eligible program participants for comprehensive coverage pursuant to
11 section five hundred forty-seven-g of this article shall be waived for
12 the portion of the annual coverage period that the participant is also
13 enrolled as a transitional assistance beneficiary in the medicare
14 prescription drug discount card program, authorized pursuant to title
15 XVIII of the federal social security act, provided that: (i) any sponsor
16 of such drug discount card program has signed an agreement to complete
17 coordination of benefit functions with EPIC, and has been endorsed by
18 the EPIC panel; or (ii) any exclusive sponsor of such drug discount card
19 program authorized pursuant to title XVIII of the federal social securi-
20 ty act that limits the participants to the medicare prescription drug
21 discount card program sponsored by such exclusive sponsor, shall coordi-
22 nate benefits available under such discount card program with EPIC.

23 § 2. Subdivision 3 of section 547-b of the executive law is amended by
24 adding a new paragraph (d) to read as follows:

25 (d) The elderly pharmaceutical insurance coverage program is author-
26 ized to apply for transitional assistance under the medical prescription
27 drug discount program with a specific drug discount card under title
28 XVIII of the federal social security act on behalf of applicants and
29 eligible program participants under this article. The elderly pharmaceu-
30 tical insurance coverage program shall provide applicants and eligible
31 program participants with prior written notice of, and the opportunity
32 to decline, such automatic enrollment.

33 § 3. Subdivision 5 of section 547-d of the executive law is amended by
34 adding a new paragraph (k) to read as follows:

35 (k) enter into an agreement with one or more sponsors of a drug
36 discount card program authorized under title XVIII of the federal social
37 security act, to serve as an endorsed EPIC drug discount card program
38 for the purposes of effective coordination of benefits.

39 § 4. Notwithstanding any inconsistent provision of section 112 or
40 article 11 of the state finance law or section 142 of the economic
41 development law or any other law, the elderly pharmaceutical insurance
42 coverage panel established pursuant to section 547-d of the executive
43 law is authorized to enter into an agreement authorized under paragraph
44 (k) of subdivision five of section 547-d of the executive law, without a
45 competitive bid or request for proposal process, with a drug discount
46 card program sponsor, authorized pursuant to title XVIII of the federal
47 social security act to serve as an endorsed EPIC drug discount card
48 program for the purposes of effective coordination of benefits.

49 In order to enter into such an agreement, a drug discount card sponsor
50 must meet the following criteria, which shall be part of the terms of
51 the agreement:

52 (a) provide for frequent information exchange with EPIC, including
53 exchange of enrollee files and any other relevant data;

54 (b) contract with a substantial majority of the EPIC pharmacy provider
55 network, however, if EPIC endorses more than one drug discount card
56 sponsor, coverage of the EPIC pharmacy provider network by such card

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1 sponsors shall, in the aggregate, consist of a substantial majority of
2 such network;

3 (c) permit the EPIC logo to appear on the drug discount card;

4 (d) expand the responsibilities of the customer service call center
5 required by title XVIII of the federal social security act and any regu-
6 lations thereunder to include responding to enrollees' questions and
7 concerns about the EPIC program; and

8 (e) adhere closely to the drug quantity limits utilized by the EPIC
9 program.

10 § 5. This act shall take effect immediately.

11

PART B

12 Section 1. Notwithstanding any provision of law to the contrary, (a)
13 during the period commencing June 1, 2004, and ending June 30, 2004, the
14 effectiveness of paragraph 30 of subdivision (a) of section 1115 and the
15 provisions of sections 1107, 1109, 1110 and 1210 of the tax law provid-
16 ing or authorizing exemptions of clothing and footwear, as such term is
17 defined in paragraph 15 of subdivision (b) of section 1101 of the tax
18 law, from sales and compensating use taxes imposed by or pursuant to the
19 authority of article 28 or 29 of the tax law shall be suspended and such
20 suspension of effectiveness shall temporarily stay the exemption of such
21 clothing and footwear from any such taxes during such period.

22 (b) The expiration and repeal of the provisions of paragraph 30 of
23 subdivision (a) of section 1115 and of subdivision (k) of section 1210
24 of the tax law provided for in section 5 of part I3 of chapter 62 of the
25 laws of 2003, as amended by section 1 of part X of chapter 686 of the
26 laws of 2003, shall take effect June 30, 2004.

27 (c) During the period commencing June 1, 2004, and ending June 30,
28 2004, the effectiveness of the portion of any local law, ordinance or
29 resolution of a county, city or school district electing to provide for
30 the exemption described in paragraph 30 of subdivision (a) of section
31 1115 of the tax law after May 31, 2004, shall be suspended, so that
32 there shall not be any exemption of such clothing and footwear from the
33 taxes imposed by such a local law, ordinance or resolution or by section
34 1107 of the tax law during such period.

35 § 2. Section 5 of part I3 of chapter 62 of the laws of 2003 amending
36 the general business law and other laws relating to implementing the
37 state fiscal plan for the 2003-2004 state fiscal year, as amended by
38 section 1 of part X of chapter 686 of the laws of 2003, is amended to
39 read as follows:

40 § 5. This act shall take effect immediately; provided, however, that
41 section one of this act shall take effect June 1, 2003 and shall apply
42 in accordance with the applicable transitional provisions of section
43 1106 of the tax law; and provided further that the amendments to para-
44 graph 30 of subdivision (a) of section 1115 and to subdivision (k) of
45 section 1210 of the tax law made by sections one and two of this act
46 shall expire ~~May 31~~ June 30, 2004 when upon such date the provisions
47 of such sections one and two of this act shall be deemed repealed and
48 any local law, ordinance or resolution enacted pursuant to section three
49 of this act shall be deemed to be repealed therewith, provided, however,
50 a local law, ordinance or resolution which is enacted pursuant to subdivi-
51 sion (a) of such section three of this act to provide the exemption in
52 paragraph 30 of subdivision (a) of section 1115 of the tax law as
53 amended by section one of this act shall or shall not apply as of the
54 effective date of such section one of this act or pursuant to subdivi-

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1 sion (b) of such section three of this act to provide for such amended
2 exemption effective on such date and which explicitly elects to continue
3 to grant such exemption effective immediately after ~~May 31~~ June 30,
4 2004 shall not be deemed repealed.

5 § 3. This act shall take effect immediately and shall apply in accord-
6 ance with the applicable transitional provisions of sections 1106 and
7 1217 of the tax law.

8 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
9 sion, section or part of this act shall be adjudged by any court of
10 competent jurisdiction to be invalid, such judgment shall not affect,
11 impair, or invalidate the remainder thereof, but shall be confined in
12 its operation to the clause, sentence, paragraph, subdivision, section
13 or part thereof directly involved in the controversy in which such judg-
14 ment shall have been rendered. It is hereby declared to be the intent of
15 the legislature that this act would have been enacted even if such
16 invalid provisions had not been included herein.

17 § 3. This act shall take effect immediately provided, however, that
18 the applicable effective date of Parts A and B of this act shall be as
19 specifically set forth in the last section of such Parts.

SPONSORS MEMO:

**NEW YORK STATE SENATE
INTRODUCER'S MEMORANDUM IN SUPPORT
submitted in accordance with Senate Rule VI. Sec 1**

BILL NUMBER: S7226

SPONSOR: RULES

TITLE OF BILL: An act to amend the executive law, in relation to medicare drug discount card agreements (Part A); in relation to suspending until June 30, 2004, the effectiveness of exemptions of certain clothing and footwear from sales and compensating use taxes imposed by or pursuant to the authority of article 28 or 29 of the tax law and to amend chapter 62 of the laws of 2003 amending the general business law and other laws relating to implementing the state fiscal plan for the 2003-04 state fiscal year, in relation to the effectiveness thereof (Part B)

PURPOSE: This bill enacts provisions proposed for the 2004-05 fiscal year that require authorization at this time.

SUMMARY OF PROVISIONS: Part A - Authorize provisions relating to the Medicare Prescription Drug Discount Card.

This bill amends the Executive Law to waive fees for EPIC enrollees who also enroll in the new Medicare Prescription Drug Discount Card and Transitional Assistance Program through endorsed sponsors. The waiver is intended to encourage seniors to participate in the program that will lower co-payment costs and provide an annual \$600 subsidy toward their

drug purchases. Accordingly, EPIC is directed to endorse discount card sponsors that enter into agreements for the effective coordination of prescription benefits. Also, EPIC is authorized to apply for Transitional Assistance with a specific drug discount card on behalf of its enrollees who are eligible for the program. Enactment of these provisions is necessary at this time to allow the EPIC program to gain maximum benefit from the transitional Discount Card and achieve the associated level of savings.

Part B - Clothing tax exemption.

This bill continues the postponement of the resumption of the permanent clothing exemption through June 30, 2004. This action will preserve \$43 million in revenue contained in the Financial Plan.

Enactment of these provisions will maintain continuity in State services and financial management in the absence of an enacted 2004-05 Budget; and will maintain balance in the 2004-05 Financial Plan.

EXISTING LAW: None.

STATEMENT IN SUPPORT:

BUDGETARY IMPLICATIONS: Enactment of this bill is needed to provide savings and revenues assumed in the State's proposed 2004-05 Financial Plan.